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The Nation's Business

Unexplained Layoffs Hurt Nation's Morale

Many Canadians are deeply concerned that, at this crucial moment in the war, there should be rather widespread layoffs and slowdowns in war industry. In some cases the layoffs have involved only small groups of workers from war plant departments; in other cases, layoffs have involved, or threaten to involve, many hundreds.

Officialdom has been saying much about a manpower shortage; a great deal of official machinery has been in preparation to comb potential workers out of civilian industry. The latest step by the Labor Ministry, as recent as a fortnight ago, is a sweeping order authorizing compulsory transfer of men of draft age from their civilian occupations to work which officialdom holds more essential. The implication, of course, is that we are still in the midst of a manpower crisis.

The public is naturally confused and our national morale suffers from these unexplained layoffs.

What is the reason for the layoffs? To what extent do they represent a shift to new kinds of war production? Do they result from weapon obsolescence, shortage of material, lack of shipping? Is our backlog of some war production too large? What is officialdom doing to see that workers are being transferred from where they are needed less to where they are needed more?

Prompt official explanation of the situation is most desirable. We suspect that the facts are much less disturbing than the rumors which are circulating.

* * *

REAPING WHIRLWIND OF LABOR UNREST

Evidence accumulates to suggest that Canada is about to reap the whirlwind in strikes and labor conflict. The Ottawa Administration, with its manpower policy only of evasion, compromise, sectional and party politics, has invited labor leaders everywhere to put forth demands for wage increases, to threaten strikes and to strike to enforce their demands.

The lesson of the steel settlement is plain enough that he who runs may read. And the ferment that has been going on in organized labor circles since that settlement is ample proof that much of organized labor feels the government has blasted its own wage ceiling policy and that organized labor "might as well get while the getting is good." New strikes, threatened strikes, and the cankerous, time-wasting business of disgruntlement and strike preparation are now damaging Canada's war effort in many places.

Higher wage demands and strikes involve only two parties, labor unions and the government. Management now stands on the sidelines. The wage paid is a matter of government regulation. In many cases management can pass on higher wage costs to the government, which means to the Canadian taxpayer.

Indications are that organization of the Regional War Labor Boards leaves much to be desired. When they were established it was provided that the provincial Ministers of Labor should be chairmen of these regional boards. At the time this may have seemed a logical and convenient arrangement.

The performance of Ontario's Labor Minister Peter Heenan in at least one current wage case raises the question of how far a provincial labor minister is likely to go in risking his political future in his own province in order to carry out the policies of the Dominion government. When enforcement of the wage ceiling clashes with provincial politics, which will win?

The outlook for our whole wage and price control policy is, for the present, very gloomy. Every wage increase is a boost for inflation. Regional Labor Boards have generally shown great willingness to edge wages upward. Ottawa's failure to hold fast to its own policy portends trouble ahead for us all, especially for the workers which Ottawa now tries to placate.

* * *

BUSINESS AND GOVERNMENT JOIN HANDS

Stimulating views on future co-operation between business and government were given at the University of Toronto this week by Robert F. Chisholm, director of the Industrial Division of the WPTB. He was speaking in a special series of lectures arranged by the Department of Economics in co-operating with the Advertising and Sales Club of Toronto. He said in part:

"As a by-product and essential corollary of the total war in which we are engaged, we are witnessing a business participation in government and a government reliance on business which augurs well for the maintenance of democratic traditions."

Mr. Chisholm is one of the business executives loaned to Ottawa—the type of man that C.C.F. Leader Coldwell wants abolished and replaced by a permanent army of bureaucrats with a lifetime interest in keeping government jobs, and with forcing us into a totalitarian strait jacket.

Mr. Chisholm's views on the results of wartime collaboration between business and government are heartening to all democrats. He said further:

"One of the interesting findings of those of us who are from business and who have gone to Ottawa, is that there is no serious cleavage between government and business. . . . . . A constant co-operation engendered by the present emergency conditions will do much to prevent the development of a cleavage in the future. . . . . The more time I spend in Ottawa the more confidence I have in the top-ranking professional civil servants of the country and in the administrative work which they perform. . . . . As to the businessman . . . . . I have not found any . . . . . who are not anxious to get back to their regular business duties."

Hostility between government and business cursed the United States for almost a decade. It delayed recovery from the depression; delayed development of the war effort.

Our wartime experience in collaboration between these two vital parts of democratic society gives us much added strength to face the difficult days ahead.

* * *

AN URGENT JOB FOR OTTAWA

Charges of inefficiency and bungling in administration of Canadian naval affairs which were made by a retired commander of the RCNVR, published in a Canadian magazine this week, should be investigated by authorities and an official statement made to the public.

Writing in Boating Magazine, of which he is editor, Andrew D. MacLean, who has seen much naval service both in this war and the last, makes allegations which will be very disturbing to all Canadians and especially to those whose sons and loved ones are in naval service. (For summary of the charges see page 2.) The author of the charges calls for a House of Commons enquiry. In the interests of efficiency in our war effort, justice to the men who are risking their lives in the service, and of national morale, Ottawa should move promptly and get at the facts.

If the charges are incorrect, the government should present the true facts. If they are correct, Ottawa will be derelict in its duty until the conditions in question have been rectified and their recurrence is well guarded against.

Will Assign Own Surplus In Future

Canada to Deal Direct With Other Nations Rather Than Through Britain

By STAFF WRITER

OTTAWA.—Naming of the new Canadian War Supplies Allocation Board will mark an important change in Canada's relationship with other United Nations. In the past, much of our huge surplus of munitions and raw materials has been diverted to Russia, Australia and other nations via Great Britain. From now on, Canada will negotiate and handle her own financial and allocation arrangements directly and on her own terms.

Thus, in addition to the huge gift of munitions and supplies to Britain, similar gifts will be arranged directly between Canada and other countries. This move is considered a logical development. It will permit Canada to gear her war production programme more effectively to the whole United Nations' effort, and may help avert unemployment and other problems which are more likely to arise in the future if Canada deals only with one or two "customers."

Australian Complaint

Australia has been highly critical that while Canada supplied certain war material to the United Kingdom free of cost, Britain re-exported the goods for Australian use and charged the Australians in sterling. The British argument was that Australia had considerable sterling balances with which to meet the cost, but the deal rankled none the less. From now on, under its new Allocation Board, Canada will make a deal directly with Australia.

The same will be true of Russia and many other countries which have been using Canadian war supplies but not heretofore getting them directly from Canada. There has also been concern that Canada has had all too little voice in the assignment and allocation of her war material and supplies.

Although she has been granted a seat on the combine production and resources board, she has never been given front place on the equally important Munitions Assignment Board.

It is not expected the new board will ease the financial cost of Canada's war effort; on the contrary, it may increase our responsibilities.

Inco Announces New Directors

To fill vacancies on its board, International Nickel Co. of Canada elected John C. Traphagen and Robert L. Beattie directors at the regular monthly board meeting, President R. C. Stanley announced.

Mr. Traphagen is president of the Bank of New York, a trustee of Stevens Institute of Technology and of Rockefeller Institute of Medical Research as well as the director of numerous companies including the Baltimore and Ohio Railway.

Mr. Beattie has been in the service of the company at Copper Cliff since 1911 except when overseas in the last war. He became vice-president and general manager last December.

He Pinch Hits for John Bracken

—Photo for The Financial Post by Malak.

House leader of the Conservative Party, until such time as Hon. John Bracken finds himself a seat in Parliament, is able, affable Gordon Graydon, member for Peel. One of the best-known and best-liked "younger" Conservatives, he lives at Brampton, Ont.; was born, like Mr. Bracken, on a farm; graduated in law from Osgoode Hall. In 1941 he visited every unit and group of the Conservative organization. Now, during his temporary leadership in the House, he hopes to overcome some of the weaknesses which have plagued his party at Ottawa since 1935. At ease in the "hot stove league" of his home town, he is also an effective spokesman in the House of Commons, enjoys a good rough-and-tumble debate.

Ottawa is Unconvinced By Plea of Treasurers

Takes Attitude Provinces Are Not Entitled to Compensation Until Liquor Revenue Falls Below 1940 Mark

By STAFF WRITER

OTTAWA.—Provincial treasurers will have to sharpen their pencils and do more homework on their liquor revenue problem if they expect to get federal help.

With one or two exceptions, the provincial representatives who met here last week were ill-prepared to lay a convincing fiscal plea on the table.

They were asked to go back home and get a better story together.

Much of the discussion centred, in fact, around the loss of motor vehicle revenue which the shortage of gasoline is causing. In the three years, 1939-41 inclusive, provincial revenues from motor vehicle licenses have averaged $30 millions annually. This year the provinces face a heavy slump as thousands of motorists lay up their cars for the duration.

Motor Vehicle Taxes

When the Dominion-provincial agreement was signed a year ago the provinces were protected from loss of gasoline tax revenue, but not from motor vehicle tax slumpage. This is now hitting some provinces heavily. There was more eagerness last week to discuss this problem than the liquor revenue problem itself.

The reason for this is obvious. Liquor revenues have been buoyant and booming in recent years. In total the profits reported by the provinces are currently at the $45 to $50 millions level. This compares with $30 to $35 millions in the years immediately preceding the war and a profit of about $37.1 millions in 1940, the year which the Dominion-Provincial agreement used as a basis for negotiation.

There is little disposition here to feel that the provinces should be "bailed out" so long as their liquor revenues are higher than those they were receiving during the base period. And most provinces have a considerable way to go before that point is reached.

Montreal Power Profit Stable

Gross income of Montreal Light, Heat & Power for 1942 was $34.4 millions compared with $31.1 millions, the company reports. Largely due to expansion in provision for taxes from $7.1 millions to $8.6 millions, net profits remain about the same, being equivalent to $1.87 a share against $1.88 a year ago.

Funded debt has been reduced $266,000 to $78.2 millions. A total of $9.1 millions of notes and bonds have been replaced by $8.8 millions of bonds, due 1961. Liquid position has been improved from $4.6 millions to $8.4 millions.

Wage Policy For Future Uncertain

War Labor Board Has Had No New Directive Temporary Steel Strike Settlement

By STAFF WRITER

OTTAWA.—How soon, if at all, will the government send a new directive to the National War Labor Board about wage control policy?

N.W.L.B. holds its next regular meeting on Feb. 8. Till midweek it had received no new instructions as to what change (if any) it should make in its interpretation of wage policy as a result of the temporary steel strike settlement.

No intimation has come from the East Block, nor can any new policy be enunciated for the guidance of the nine autonomous regional provincial boards, which to date have handled more than 18,000 individual applications for wage increases and adjustments.

King's Letter

Most important indication that a change of policy may be forthcoming is the paragraph of Mr. King's letter to C. H. Millard dated Jan. 21 in which the Prime Minister states:

". . . I did say that I believed the powers of the War Labor Board were capable of being given the wider construction which the minority report of the Barlow Commission stated they should have in accordance with the labor policy of the government . . . . my reference to the powers of the board was intended to make clear the government's view that the National War Labor Board itself would be free to place the more liberal construction upon its powers."

Chief concern in official circles seems to be the interpretation which labor will place on the clause in the steel settlement which absorbs the cost-of-living bonus into the new basic minimum wage for the industry.

It is thought that there are not a great many essential wartime industries which will be able to show that their basic rates plus the cost-of-living bonus are less than the steel schedule. But in the case of steel the workers have been able to get their basic wage lifted to the place where it now includes the cost-of-living bonus.

No C. of L. Bonus Increase As Yet

By STAFF WRITER

OTTAWA.—Cost of living index for January is reported down 1.7 points to 117.1, mainly due to a 5.5 point decline in food prices.

Down seven-tenths of a point from the last quarterly mark, the index is 1.7 points below the level where a further cost-of-living bonus would become necessary.

Health Insurance Plan Being Overhauled

Original Scheme Bogs Down in Complicated System of Contributions and Divided Authorities; Constitutional Issue a Problem

By STAFF WRITER

OTTAWA.—Canada's $250 millions health insurance plan forecast last week in the Speech from the Throne has been undergoing a brutal overhauling at the hands of the Economic Advisory Committee.

The omnibus measure planned by the Department of Pensions and National Health is a joint federal-provincial affair, with Ottawa offering grants-in-aid and a flat-rate per capita contribution to provinces which "go along."

The federal contribution was to be $3.60 per capita, plus grants-in-aid which would be paid each province as the reward for introduction of certain specific health services. Total federal contribution on this basis probably would have been $50 millions.

Big Contributions

The proposed measure called for big contributions from each province, as well as from wage earners and self-employed persons over 16 years of age. The proportions are reported to have been something of this order: from the provinces $90 millions (gross); from wage-earners and employers another $90 millions—over two thirds of which was to come from employees themselves.

Premier Conant of Ontario intimated recently that the measure would cost his province $38 millions. On a proportionate basis this would indicate that the nine provinces will be called on for something over $100 millions.

Apparently the framers of the original draft bill got bogged down in complicated calculations when they came to figure out just how this burden should be distributed among employers, employees and provincial governments. Complex calculations were proposed, based on percentages of payroll and the number of dependents in each family. It is almost certain that the contribution sections of the bill will be almost completely overhauled before the measure reaches the House.

Constitutional Issue

Another fundamental problem which must be resolved before the measure is ready for the House is the constitutional issue. Already Canada has one prop to its social security edifice erected—namely unemployment insurance.

The new health insurance measure which was to have been introduced was based on the grants-in-aid principle and was to have been a purely provincial undertaking assisted by federal contributions. It was a measure on which not only health insurance, but a broad programme of social security legislation was to have been based.

What is now challenged is the wisdom of setting up this new social security programme on a provincial basis when unemployment insurance and many other social security measures which are due to follow are clearly matters of federal rather than provincial responsibility.

Collection Problem

Then, too, under the proposed plan the collection of "premiums" from self-employed and rural workers would be thrown on municipal and rural assessment machinery. In provinces which are largely rural in population this is considered costly and unsatisfactory.

As originally drafted, there was no attempt in the bill to collect a higher levy from middle-class or high-income brackets to assist in spreading the cost. Discarded also was the idea of a general levy through income tax machinery.

Subcommittee Opposes Cost-Plus Contracts

Reports to House of Commons That They Should be Eliminated, Recommends Fixed Prices; Views of Second Group Differ

By STAFF WRITER

OTTAWA.—Elimination of cost-plus contracts "as soon as possible" in favor of fixed price contracts is recommended by Special Subcommittee No. 3 on War Expenditure in a report tabled in the House of Commons last week.

The committee reported that four sevenths in number of the contracts awarded by the Department of Munitions and Supply have been let through competitive bidding. In the remainder, where such procedure is not possible, the committee urges adoption of "a contract based on an agreed set price not subject to change and regardless of what the contractors costs may be; that is if he loses it is his loss and if he is able to manufacture more cheaply it is his gain."

"If the policy of the department to settle fixed prices wherever a proper basis therefor can be found is carefully applied, then a very large proportion of the contracts (possibly 90%) will be granted on a competitive basis which is by far the most satisfactory system," says the report.

In conflict to this view, Subcommittee No. 1 in its report on Aircraft Production and Shipbuilding expresses the view that while "firm price contracts should be made as soon as sufficient production has been achieved in the different types of planes . . .yet the type of contract used would appear to be the best form of contract which could be devised in the circumstances." The report continues:

"It is not in the public interest that definite price contracts should be negotiated until a proper price can be definitely ascertained by actual experience, as any premature attempt to do this would doubtless result in either too high or too low a price being fixed, either of which results would be most unsatisfactory."

Urge Financial Study Of Two War Industries

By STAFF WRITER

OTTAWA. — Concern over the profit, depreciation and tax position of companies engaged in aircraft and shipbuilding work in Canada is indicated in a report of subcommittee No. 1 of the House of Commons on War Expenditure tabled in the House of Commons last week.

The committee recommended that as soon as financial statements are available for 1942, a special study should be made of profits, accelerated depreciation and corporate taxation. Said the committee:

"The question of excess profits and accelerated depreciation has caused the subcommittee considerable concern. Very substantial profits are being earned, in some instances far in excess of normal profits, and while the Excess Profits Tax Act should result in no one being allowed to retain any excess profits which have been earned, yet in many instances we found, as a result of rulings which have been given, companies will at the conclusion of the war own valuable physical assets which will have been entirely paid for out of money which would otherwise have been payable as excess profits.

"Steps should be taken now to prevent sale of physical assets and company reorganizations during the postwar period to escape taxation or to provide for the sterilization of physical assets whose cost has been completely written off through permitting very drastic depreciation write-offs as are now in effect with respect to plant and equipment of wartime industry.

"The subcommittee found that in regard to industries engaged in war production, rulings have been given in most instances permitting plant and machine costs to be written off in three years."

Early Budget May Indicate New Tax Plan

By STAFF WRITER

OTTAWA. — Decision to bring down the federal budget early in the session is taken here as confirming evidence that personal income tax collections will be switched as soon as possible to a pay-as-you-earn basis on the new and higher 1943-44 tax levels.

This will probably mean considerably higher income tax deductions for wage earners, since the $110 millions "allowance" for national defense tax paid prior to Dec., 1942, will disappear so far as deductions at the source are concerned.

Canada's War Record

This week Prime Minister King put on the record facts and figures on Canada's 1942 war production compared with 1941. Throughout almost the entire field of war output there was a great expansion. In dollars, production in 1942 was 159% greater than in the previous year.

	1942	1941
Total value, millions	$2,100	$800
Cargo ships	80	1
Military aircraft	3,800	1,700
Fighting vehicles	12,000	3,000
Mechanical transport	200,000	120,000
Corvettes, minesweepers	74	85
War workers	1,000,000	700,000
Navy:		
Ships	500	350
Personnel	52,000	27,000
Army:		
Volunteers	360,000	260,000
Draftees	55,000	20,000

Elson from Washington

Decisions on Three Fronts

New U. S. Formulae on Manpower, Taxes, Inflation

By ROBERT T. ELSON

WASHINGTON.—Three situations of ultimate consequence to Canada are shaping toward the decisive stage here.

They are: Manpower, taxes and the control of inflation.

Manpower Mobilization Means "Work or Fight"

Here on Tuesday the war manpower commission announced that on April 1, dependency as a condition for exemption from the armed forces vanishes if you are within the ages 18-38. Instead, the question is what kind of a job you hold, essential or non-essential. This is a version—first draft probably—of last war's slogan, "Work or Fight."

It is designed to siphon three million men from non-essential jobs, busboys, bootblacks, etc., into war jobs as quickly as possible. The form in which the order is issued is an indirect sanction to use the draft to force people to change jobs. This is necessary because of the U. S. lack of the legislative authority which Canada has erected but never used.

This order comes as a consequence of a situation best summed up in the comment of war manpower commissioner Paul McNutt, who told a congressional committee this week: "By the end of 1943 10 out of every 14 able-bodied men between the ages of 18 and 38 will be in the armed forces." Obvious implications of this statement were so great that even the congressional committeemen did not trust themselves to ask him to amplify it. This is tough talk but clearly indicates what every one has believed was the first decision reached at Casablanca—that the invasion of Europe has priority No. 1 in the military scheme of things and the army estimates of its manpower needs are based upon it. Russia's victories this winter will not win a United Nations war.

Propose Regulations to End Labor Hoarding

Together with the claims of the Pacific Front—no inconsiderable factor in the year 1943 when "furious new offensives" have been predicted in both major theatres—the United States will be moving ever faster in manpower, and may even lead Canada in a few months. Indications already show trends of official thought: for instance, the army is considering a plan advanced by Walter P. Reuther of the United Automobile Workers (C.I.O.) to force manufacturers to guarantee a 40-hour week in plants to halt labor hoarding. Workers not guaranteed 40 hours would be shifted to other factories.

Canadians looking at U. S. manpower must always keep in mind one thing—conscription is not a political issue. This frees the government's hands to use this instrument as a method of direct pressure. Only brake is farm bloc pressure for men to man the farms. But a full manpower programme would offset this, enable the army to proceed with its plans for bigger and larger armies and still engineer the shift from non-essential to essential industry. On paper, McNutt has less power than Mitchell, in fact, he has a lot more—always providing the man in the White House stands behind him.

Pay-as-you-earn Plan Is Favored by Public

Battle lines have now been drawn on the tax issue. The White House says pay-as-you-earn is fine if the treasury doesn't lose. The treasury opposed Mr. Ruml's plan and so does Philip Murray, C.I.O. head, who introduces therefore a labor-versus-capital view on an essentially economic problem. The latter objects to

(Continued on page 2, col. 4)

MEN'S SHOP

FINE APPAREL FOR MEN

For Skiers

"VIYELLA" TARTANS AND PLAIDS

Smartly tailored from well known "Viyella" flannel wool and cotton cloth, these colourful Collar attached sport shirts are most suitable for the winter-sportsman. Light in weight and finely textured, they are at the same time as "warm as toast." The patterns include some tartans and plaids. Sizes 14½ to 16½. Each 7.00

Collar attached Khaki "Viyella" at 5.95

The Men's Shop

CIVIL AND MILITARY OUTFITTERS

at EATON'S - COLLEGE STREET

War and Business

Refundable Taxes

The Dominion authorities have no intention of issuing any certificate or special form showing the amount of refundable income taxes to the credit of any individual or corporation. Legal evidence will be the notice of assessment which will go to all taxpayers, corporate and individual, The Financial Post learns. Even if these notices of assessment are lost, official records will still be available and will show the amount of income taxes to be refunded sometime after the war. Apparently the authorities are determined to avoid issuing anything which might become a negotiable security, because such would defeat the objective of the policy, which aims at taking money out of circulation, thus preventing spending and discouraging inflation.

To Check Absenteeism

The Bell Aircraft Company of Buffalo has designed new regulations aimed to combat absenteeism. Those workers who fail to obtain permission for being absent will be designated "A.W.O.L." An "A.W.O.L." card will replace the usual time card and approval from the foreman or department head will be required before the time card can be returned and work resumed.

The regulations stipulate that workers desiring time off must receive permission from the foreman or department head at least one day in advance; those absent must telephone their plant, or have some one else do so, explaining the absence; those who are sick must bring a doctor's certificate when they return.

Postwar Tariffs

Clement M. Biddle in the current Survey published by the Biddle Purchasing Co. of New York, makes this observation and suggestion for postwar consideration:

"Canada will emerge a leading postwar industrial and agricultural nation. Her surplus products will about parallel ours. It seems to be that our mutual welfare would be furthered if both countries' tariffs were completely or mostly wiped out. Think it through—not respecting competition to one industry, but in relation to every industrial and agricultural commodity which both countries produce in excess of home consumption."

Behind Butter Crisis

Official figures confirm what has been suspected for some months. It was not a decrease in production but a big jump in consumption that was responsible for the butter crisis in Canada.

Actually total production for 1942 was 284.3 million pounds, down less than 0.5% from the record output in 1941. Disappearance in 1942 is estimated at 304.5 million pounds, up almost 11% from the previous year.

Nazi Slaves

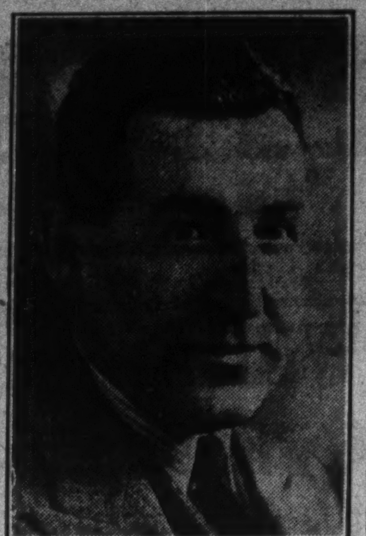
Every sixth worker in Germany is a foreigner, reports from London indicate. The figures compiled from German sources show the nationality of these foreign workers as follows:

Foreign Workers in Germany	
Belgians	300,000
Czechs	180,000
Danes	40,000
Dutch	250,000
French	185,000
Greek	10,000
Norwegian	2,000
Poles	1,200,000
Russian	325,000
Serbs	32,000
Balts	60,000
Italians	300,000
Others	28,400
Total	2,912,400

These workers, most of whom have been compelled to leave their own homes and families, are not expected to be very much interested in forcing Germany's war production. They offer a fruitful field for sabotage and when the time comes.

U. S. Fashion Centre

Pooling creative resources now through a federation of interested trade associations to establish the United States as the fashion centre of the world is being urged by a professor of the Harvard Graduate School of Business Administration.



JOINS BOARD

J. Elmer Woods has been elected vice-president of the Monarch Life Assurance Co. Mr. Woods became a director of the Monarch Life in Jan., 1940.

Union Gas Rate Boost Expected

Union Gas Co. is expected to announce shortly an increase in rates to its industrial consumers. This step has been under negotiation for some time with Ontario provincial officials and representatives of the Wartime Prices and Trade Board.

Basis for the company's application for increased charge was that in the prewar days its main business was to domestic consumers, thus the price to industrial consumers was low. War conditions forced a complete change in the marketing picture making industrial consumption the dominant element. With the greater part of its production being sold at low prewar industrial rates the company's revenues have been adversely affected. It was from this condition that the company sought relief.

In Hamilton, where Union Gas has a representation through its 50% interest in United Fuel Investments, a combination of circumstances has created a gas shortage which has forced several industries to close temporarily.

One of the main factors in this situation is delay in completion of the new $3 millions coke oven plant of United Fuel's subsidiary, United Gas. This plant, which is to supply from 7½ to 10½ million cubic feet of gas daily, was originally scheduled to get under way last Nov. 1 but it is now not expected to be ready before March 1. If this plant was in operation it is declared that the gas problem in Hamilton would be over.

Similarly, the situation would be greatly alleviated if there were a supply of propane available in Hamilton. However, during the cold weather of January this supply was used up and difficulty is being encountered in securing tank cars to transport propane from Montreal and the U. S.

OUR *Fighting* WORKERS

Give Wings To Victory

Workers and management, heroically speeding up the number of bombers, fighters and pursuit planes, are playing their part in the battle of production to bring victory. May the flow of war machines keep ever mounting until the United Nations have achieved victory. Through hundreds of branches across Canada the Bank of Montreal is co-operating with war-time workers and industries.

BANK OF MONTREAL

"A Bank Where Small Accounts Are Welcome"

Modern, Experienced Banking Service ... *the Outcome of 125 Years' Successful Operation*

A 175

Simpson's Presents the

FURNITURE of 1943

for Wartime Homes

This will be a year when you will want particularly to keep your home heartwarming, welcoming. If you need new furniture to make it such a place, Simpson's can provide it from assortments that Canadian manufacturers have turned out for Simpson's exclusively. The wide selection includes plenty of modern as well as 18th century period designs; Colonial maple, too — all constructed according to Simpson's exacting standards.

Simpson's

Declares Navy Probe Needed

Retired Officer Charges Inefficiency and Blundering

Criticism of the administration of the Royal Canadian Navy, of permanent force Navy officers, and of the manner in which contracts for Fairmile motor launches were awarded is contained in the current issue of Boating Magazine in an article by the editor, Andrew D. MacLean.

He is a Commander R.C.N.V.R. retired and until recently he has been Senior Officer Fairmiles. In this war he has also served with the R.C.A.F. and the Royal Navy. In the first Great War, he served in submarine chasers with the R.N.V.R. The magazine Boating is published by Hugh C. MacLean Publications Ltd., Adelaide St., Toronto.

"There's enough about the conduct of the Navy in this issue to warrant a searching Parliamentary Enquiry," declares the leading editorial. . , "It is long, long overdue."

The editorial also charges: "The Naval Board, consisting of the permanent force Royal Canadian Navy —with no representation of the R.C.N.R. and the R.C.N.V.R. that now constitute more than 96% of the total strength, has seen to it that promotions and decorations, generous beyond all reason, have been awarded themselves.

"Up until last April, they awarded themselves four times as many important promotions, carrying generous pensions until death as were given officers and men of the volunteer service that left gainful employment to fight on the high seas."

In a leading article signed by Andrew D. MacLean, it is stated: "We have attempted to build a navy of fifty thousand men and many hundreds of ships with the same Senior Officers that did not make much of a showing with our peacetime navy of two thousand men and half a dozen 'tin-pot' ships."

Charges Waste of Time

Mr. MacLean reports that he and three other officers were sent from Halifax to pick up boats being built on the Great Lakes, "although I pointed out that when I had seen the boats some two weeks before it was obvious they would not be ready for a month or more.

"We arrived in Toronto on the 8th of Sept. and were not ready to sail until Nov. 1 and my boat was the second boat to leave.

"Twelve officers and 72 men did nothing useful to the winning of the war for some six weeks—multiply this by the dozens of larger ships that had been incorrectly reported as ready for crews and you will get a figure of a little less than five or six hundred men not only unprofitably employed but, whom being denied leave to visit their homes, got knocking about town to the detriment of both the town and themselves.

"Over my most violent protests exactly the same thing happened in the spring. Twelve boats had complete crews provided three months before they were needed, or one hundred and ninety-two officers and men with nothing to do for ninety days."

"The first Fairmile to be delivered (uncompleted) to the Navy was Q 054 on the 14th of Oct. at Toronto and she had to be largely rebuilt at Halifax. Of the nine boats that were completed to an extent to permit them to steam to Halifax by Dec., 1941 only four were ready for operational duties by the 1st of Feb., 1942.

"Only nine boats reached Halifax of the twenty-four that had been ordered for delivery during 1941. Five boats were paid-off in Halifax during December because of an artificial shortage of officers created by the opening of special schools before we had enough people to man the ships so urgently needed at sea.

"As a result of my experience as Acceptance Officer for the British Admiralty on these identical Fairmile Motor Launches, I was able to assist the Canadian boat builders on many small problems. It was, however, impossible to advise or assist N.S.H.Q. on anything as they were convinced in their own minds that the mere fact of their being on the staff of N.S.H.Q. qualified them fully to avoid any problem. In the matter of steering and certain very vital bridge arrangements, I made the strongest representations and was slapped down in the crudest manner. I had the doubtful satisfaction of seeing them adopt the majority of my suggestions twelve months later.

"The dinghy supplied for the Canadian Fairmiles was a joke. Heavy beyond belief, it would not handle under oars or sail and was unsafe with more than two people on board. These boats cost $275 and were not nearly as good as a standard yacht dinghy available on the open market at around $60.

"Captain Mainguy, R.C.N., added his complaints about the life saving equipment supplied yet nothing was done—even when Lieut. Bob Jarvis, R.C.N.V.R. (C. O. of Q. 057) pointed out to Vice-Admiral Percy Nelles, R.C.N., that the dinghies were a menace to life and limb.

"The guns supplied were from eighteen to thirty years old and the ammunition of United States origin and very doubtful history. Although a qualified gunnery officer myself, my recommendations in respect to the fire power of the Canadian Fairmiles were shelved. The useful excuse that nothing better was available is a terrible indictment of those that should have planned a supply. . . .

"Contrary to my recommendations no special training was given our officers or men on being accepted volunteers for the Fairmiles service. The British Navy found this absolutely essential in the last war and in this—but the R.C.N. thought they knew better.

"By Aug., 1942, out of more than thirty boats in commission only ten were fit for operational duties as a direct result of Ottawa's failure to provide specialized training and adequate, specialized base facilities.

"One of the most distressing facts about the building of Fairmile Motor Launches in Canada was the method by which the contracts were placed. The best equipped yards and those that had the greatest experience and the skilled labor got the fewest orders. Companies that had to build plants before they could build boats got orders to build the most boats . . . The inspection was quite inadequate. . . .

"On my weekly progress reports to N.S.H.Q., made during the months of September and Oct., 1941, I appended comments such as the following: 'Dates shown are only approximate as serious delays have been caused by lack of main engines, fuel tanks and other items of equipment. At least two boats would have been in service in June if intelligent priorities had been ordered. In every case the boat builders have been seriously delayed by non-arrival of parts that were to have been supplied by Ottawa.'

"In this respect engines were delivered to some yards six months or more before they were required and other builders could not get any at all when they needed them. The inspection was quite inadequate and the boat builders got no co-operation in the translation of the weird specifications supplied and the confusion that existed in the blueprints . . .

"The more technical side of the Fairmile equipment was in an even more disgraceful state of official ineptitude. Ottawa insisted on maintaining the English standard of voltage of 24 instead of employing the North American standard of 32 and 110.

"Consequently all our motors—some eight or ten to each boat—generators and lamps had to be specially built . . . Some N.S.H.Q. jackass says that 110 volts is too dangerous for wooden ships. Yet we had 550 80-footers in the last war with 110 volts and experienced no difficulties whatever."

U. S. Faces Decisions On Three Major Fronts

(Continued from page 1)

the so-called windfall to the big income taxpayers. But the treasury's alternative shows the influence of Ruml's tax thinking.

Treasury General Counsel Randolph E. Paul suggests a 19% withholding tax in addition to the 5% Victory Tax, which has a postwar saving feature. But he testified before Congress that this need not preclude some discount or even a certain amount of "forgiveness" where doubling up of taxes proved too harsh.

The treasury wants the pay-as-you-earn feature introduced by July 1, which would mean that they could collect two installments on 1942 income. This would leave only half-a-year's taxes to be "forgiven"—but under the American system the administration may propose but congress disposes, and public sentiment for the Ruml plan may still force a further compromise.

If this compromise included the principle of "forgiveness" it would undoubtedly influence Ilsley's policy in Ottawa. By the way, Canadians will be interested to know that the comments of Morris Wilson and other important Canadian bankers in favor of the Ruml plan have created much favorable sentiment for the plan here.

Price Control Outlook Anything But Bright

Outlook for maintenance of the economic stabilization controls has darkened. The new price administrator, Prentiss Brown, an ex-senator, reaffirmed his determination to keep all prices at the Sept. 15 levels, but that must be read as a statement of good intentions.

Here are some of the things working against Brown: Railroad labor—among the most powerful groups—is asking a 30% increase; the C.I.O. has called upon the War Labor Board to abandon the so-called "Little Steel" formula, which limited all increases to the 15% increase that had taken place up to last May. The United Mine Workers anthracite division is asking a $2 hoist in wages. The farm bloc isn't reconciled to the subsidy programme announced by the food administrator and wants higher prices rather than the $100 millions in production bonuses offered by Secretary of Agriculture Claude Wickard.

Labor contends—as did R. J. Thomas of United Mine Workers of America—that living costs here have risen 30% since Jan., 1941, therefore the old Labor Board formula is outdated. The Journal of Commerce, on the other hand, pointed out weekly wage rates between Jan., 1941, and May, 1942, increased from $27.70 to $37.46, a rise of more than 35%. In this same period, says the Journal, living costs rose only 15%.

Various breaches in the price ceilings plus the abandonment of old O.P.A. formula for the new mark-up system increase the pressure on the whole price level.

The question ultimately boils down to whether or not the new price administrator can hold the orderly pace of the present U. S. retreat before higher prices, or whether it will move even more swiftly. Certainly there is a marked shortening of lines in the price control structure here that means higher prices.

For Canada this has a particular meaning because Canada's price ceiling structure has always to be buttressed against every advance on this side of the border. In the past two weeks the situation has certainly not improved.

February Dividends Down From Last Year

Total For First Two Months of Year Expected to be $3.3 Millions Under Amount Paid in Same Months of 1942

Another decline is forecast in amount of dividend payments by Canadian companies, according to preliminary estimates by The Financial Post for February. This marks the second consecutive decline this year and leaves the two-month total at $29.7 millions, $3.3 millions under amounts paid in the corresponding months of 1942.

Although the February total is expected to be lower. there are a number of extras scheduled for payment this month. John Bertram & Sons is paying five cents a share extra on its common. Canadian Bronze is paying an extra of 50 cents a share. Other companies paying extras are Cosmos Imperial with 15 cents a share, Leitch Gold with one cent, and Zellers with 20 cents.

Caldwell Linen Mills is paying an initial dividend of 25 cents a share on its common. Senator Rouyn is also starting dividend payments with a declaration of three cents a share. General Steel Wares is paying a participating dividend of 25 cents a share on its preferred.

Two companies, both gold mines. have reduced payments. Privateer is paying two cents a share instead of three cents and Toburn Gold is paying one cent instead of two cents a share.

Monthly Dividends

	1943 $	1942 $
January	20,222,823	22,952,057
February	9,436,980	10,016,154
Total	29,659,803	32,968,211

Industrials and Utilities

Company	Rate $	Date	Amount $
Anglo-Can. Tele. pfd.	.68¾q	1	56,787
Ault & Wiborg, pfd.	1.37½q	1	6,182
Bertram & Sons	.15s	15	9,000
Do., extra	.05	15	3,000
Blue Ribbon, pfd.	.62½q	1	18,656
B.C. Tele. 2nd pref	1.50q	1	67,500
Calgary Power, pref.	1.50q	1	88,500
Caldwell Linen	‡.25	1	10,000
Do., 1st pref.	.38q	1	5,700
Do., 2nd pref.	.20q	1	5,000
Canada Starch, pfd.	3.50s	15	107,418
Candn. Bronze	.37½q	1	30,000
Do., extra	.50	1	40,000
Do., pref.	1.25q	1	9,375
Can. Pac. Rly., pref.	2%s	1	2,745,138
Coast Breweries	.03q	1	54,094
Conduits National	.25	1	40,200
Cosmos Imperial	.30q	15	30,000
Do., extra	.15	15	15,000
Crown Cork	.50q	15	50,000
Distillers-Seag., pfd.	†1.25q	1	199,216
Dom. Bridge	.30q	25	154,185
Dom. Fabrics	.20	1	14,000
Do., 1st pref.	.75q	1	13,500
Do., 2nd pref.	.37½q	1	7,500
Dominion Tar, pref.	1.37½q	1	69,231
Gen. Steel Wares, pf.	1.75q	20	78,750
Do., participating	.25	20	11,250
Gordon & Belyea A	2	1	4,400
Do., (B)	.40	1	370
Granby Elastic, pfd.	.69q	1	6,582
Inter. Metal, pf. A pfd	1.50q	1	67,807
Inter. Utilities pr. pf.	†.87½q	1	86,596
Loblaw Groc., Inc.	†.25q	27	85,623
Melchers Dist., pfd.	.30s	15	37,500
Ont. Silknit, pf. rts.	1a	15	9,544
Ontario Steel	.25	15	12,110
Do., pref.	1.75q	15	6,304
Penmans	.75q	15	48,388
Do., pref.	1.50q	1	16,125
Power Corp., c.	.15	1	66,954
Prov. Transport	.20s	15	50,000
Quebec Power	.25q	25	138,299
Rolland Paper, c.	.15q	15	9,000
Saguenay Pwr., pfd.	1.37½q	1	68,750
Shawinigan W. Pr.	.23q	25	500,997
Sher. Williams ord.	.15q	1	30,000
Simpsons, pref.	1.62½q	1	182,812
South Can. Power, c.	.20	15	80,000
St. Law. Flour	.35q	1	12,600
Do., pref.	1.75q	1	10,062
Steel of Canada	.75q	1	345,000
Do., pref.	.75q	1	194,889
Unit. Distillers	.10	11	77,000
Weston, Geo., pfd.	1.25q	1	21,875
Wood, A. & James pfd.	1.75q	1	11,375
York Knitting	.20s	15	45,802
Do., pref.	8.50s	15	5,250
Do., 2nd pref.	3.50s	15	10,500
Zellers	.20q	1	25,000
Do., bonus	.20	1	25,000
Do., pref.	.37½q	1	11,250
Total			6,242,946
Mining Companies			
Cochenour Willans	.02	16	88,848
Grandview	.01	1	29,997
Hedley Mascot	.02q	15	45,282
Inter. Nickel, pfd.	†1.75q	1	483,486
Kerr Addison	.05	26	236,515
Lamaque Gold	.10	1	300,000
Leitch Gold	.02q	15	57,000
Do., extra	.01	15	28,500
Privateer Mine	.02q	10	49,080
Senator Rouyn	‡.03	20	102,249
Teck-Hughes	.01	1	480,714
Toburn Gold	.01q	22	18,500
Upper Canada M.	.02½	27	74,075
Total			1,994,246
Oil Companies			
Canadian Oil, c.	.25q	15	35,941
Commoil	.01	27	9,701
Total			45,642
Financial			
Can. Bk. of Com.	1.50q	1	450,000
Can. & For. Secs.	.06a	1	27,000
Can. Inv. Fd. sp. ord.	.04q	1	91,668
Can. Investors	.10q	1	10,000
Comm'with Int'l	.04q	15	6,033
Dominion Bank	2q	1	140,000
Equitable Life	.15a	20	9,815
Hydro-Elec. Secs. B, p.	.25s	1	166,515
Imperial Bank	2q	1	140,000
Mtge. Corp. N. S.	1.25q	1	8,500
Royal Trust	.80q	1	80,000
Sherbrooke Trust	1.50q	1	4,500
United Corp. A.	.38q	15	20,115
Total			1,154,146
Grand total			9,436,980

†N.Y. Funds. ‡Initial. qQuarterly. sSemi-annually. aAnnually.

Planning Setup Is Reorganized By Government

Powers of Economic Advisory Committee Extended to Postwar Field

By STAFF WRITER

OTTAWA.—A complete reorganization of the government's postwar planning machinery is contained in Order-in-Council No. 608 and 609 approved by the government a few days ago.

Powers and responsibilities of the Economic Advisory Committee headed by Dr. W. C. Clark, deputy Minister of Finance have been extended into the field of postwar planning. To the committee is now given the function "of planning and organizing the activities of departments and agencies of government in this field as well as conducting investigations and study of postwar problems in co-operation with the Committee of Reconstruction, and the preparation and submission of appropriate reports and recommendations."

Redefine Authority

At the same time, the government has reconstituted and redefined the authority of the so-called "James" committee on Reconstruction.

It would appear from a close reading of the two orders-in-council that the James Committee will in future take its orders direct from the Economic Advisory Committee, although both committees have direct access to the Prime Minister under their terms of reference.

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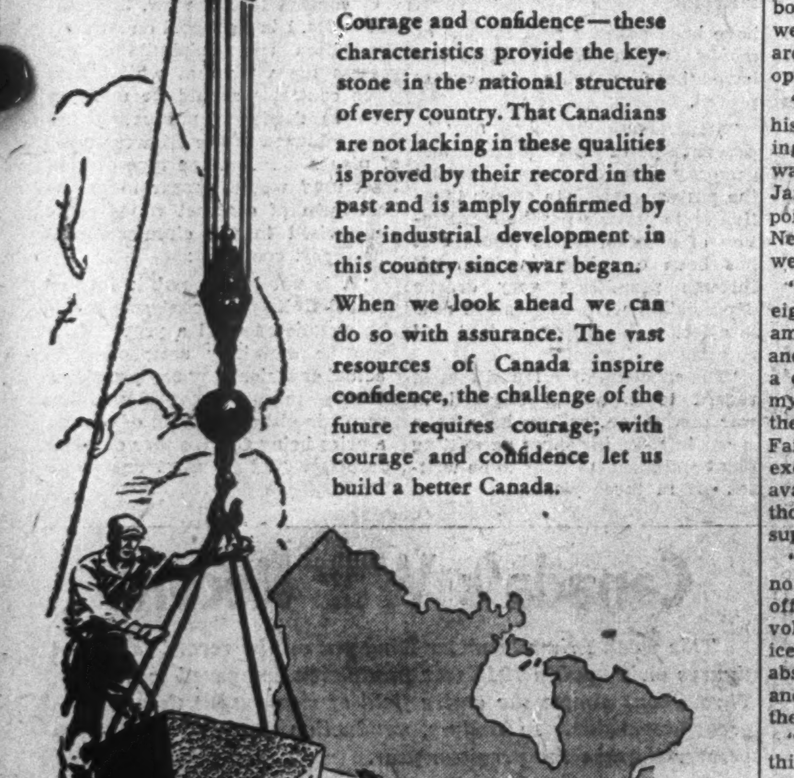
Matachewan Consolidated Mines realized a profit of $69,318 after taxes, but before write-offs, the three months ended Dec. 31, 1942, compared with $35,256 the corresponding period of 1941. Production the final 1942 quarter was $256,866 from 86,338 tons of ore compared with $226,904 from 50,402 tons the last quarter of 1941.

Montreal Stock Exchange and Montreal Curb Market report a marked improvement in volume of trading during January. A total of 442,976 industrial shares were traded, the largest turnover since May, 1940.

Keystones



Courage and confidence—these characteristics provide the keystone in the national structure of every country. That Canadians are not lacking in these qualities is proved by their record in the past and is amply confirmed by the industrial development in this country since war began.

When we look ahead we can do so with assurance. The vast resources of Canada inspire confidence, the challenge of the future requires courage; with courage and confidence let us build a better Canada.

NESBITT, THOMSON & COMPANY LIMITED

38 King Street West, Toronto

Branches in the principal cities of Canada

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	—Sold to—	Rate	Due	Amount	Price	Yield
Greater Winnipeg Water Dist.	Jan.	McLeod, Young, Weir & Co., Mills, Spence & Co., Bell, Gouinlock & Co.	3½%	1953	$1,425,000	100.89	.....
Montreal Catholic School Comm.	Jan.	Rene T. Leclerc and Syndicate	4%	1950	3,800,000	*100	4%
Dominion—							
Canada Treasury Bills	Jan.	.....	....	Apr. 30, '43	45,000,000	99.872	.512%

*Offering price.

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date Issued	Offered by	Rate	Class	Amount	Price	Yield
Aluminum Company of Canada	Jan.	A. E. Ames and Syndicate	5%	Pref.	$15,000,000	100	5%

BASE METAL AND OIL MARKET

We believe the Base Metals and Oils are behind the general market. We have prepared descriptive analyses of MINING CORPORATION, NORMETAL, GOLDEN MANITOU in the Base Metals and HOME OIL, BRITISH DOMINION, CALGARY & EDMONTON and EAST CREST in the Oils. You may have a copy on request.

HARAS CORPORATION

15 King Street West • TORONTO

STRIKING IN WARTIME IS A DIRTY BUSINESS

In fact, over 75% of the Steelworkers at the Steel Company of Canada regard such action as TREASON, and want your help in avoiding any such occurrence at our plant. Every man on strike from a Canadian steel plant to-day is killing Canadian soldiers as surely as if he shot them. This fact makes the relations between the Steelworkers' C.I.O., management, and the Government no longer a private matter, but a public concern.

We think the idea of a steel strike should make every citizen of Canada as hopping mad as it makes us. How would you feel if through determined action of an organized minority you were forced to stop working in what you knew to be a vital part of our war effort?

— Or if you had worked for your firm for over 25 years, as over 10% of us have, and had no grievances you thought were very important these days when so many people are suffering so much, and were suddenly told that you were expected to strike on Monday?

— Or if you had several children, a home to pay for, and other expenses you could just meet, and were suddenly faced with the possibility of being forced to live for several weeks with no money coming in.

Don't get us wrong. We aren't Union haters, or "Company men." We believe well-run and responsible unions can benefit every one. We also know that basic wage rates may need to be adjusted from time to time, and there are other grievances in this plant as in most others.

What we object to is the use of strikes over which we have no control to force decisions in such matters in these times. The Government has set forth a policy of wage and price control to try and avoid troubles and hardships met in the last war. It also provides means for adjusting inequalities brought to its attention. Public opinion should demand quick, firm, and just use of this machinery to settle problems as they arise, and avoid situations such as we have here. To allow any group to dictate its own terms in any such dispute spells disaster for the whole national economy.

THE C.I.O. IS BOMBARDING WORKERS AND PUBLIC WITH PROPAGANDA PUT OUT EXPRESSLY TO WIN MEMBERS AND INCREASE THEIR OWN POWER BY DISCREDITING BOTH GOVERNMENT AND MANAGEMENT.

WE WOULD LIKE TO EXPRESS AND EXPLAIN THE REAL CONVICTIONS OF THOSE STEELWORKERS WHO DO THEIR OWN THINKING.

FIRST—A FEW COLD FACTS WHICH CAN BE EASILY VERIFIED:

1 Union membership never represented more than about 25% of the 4,900 wage earners at Hamilton Works. Not more than 500 members have attended any one meeting.

2 Only 300 members were present at the meeting in which the strike vote was held. Three hundred men are attempting to force more than 4,000 men to stop work.

3 A large percentage of former C.I.O. members believe in Unions and joined to assist in correcting grievances the C.I.O brought to their attention. They joined on the understanding that no strikes would be called in wartime. These men are now thoroughly disgusted, are not paying Union dues, and are completely inactive in Union affairs, but they are included in estimates of C.I.O. membership.

4 The strike issue here is Union recognition and collective bargaining, with the pay increase an incidental. Through our Works Council we already have a collective bargaining agreement through elected representatives, free of charge. The Union guarantees to give us the same thing for about $50,000 in dues. We do not take our Works Council seriously enough, or make it work as it should, because we didn't have to fight for it.

5 No discrimination is shown against Union members in the plant. Union representatives sit on the Works Council.

We feel that this projected strike is part of a planned program to unionize Canada's steel industry, no matter at what cost to the country—YOUR country. The C.I.O. is following a familiar pattern which has been very successful in the States. Strong and decisive action is needed immediately to prevent further trouble, and forestall a general inflation. Management's hands are tied, the Government is unwilling and unable to act without some overwhelming expression of public opinion.

Now is your chance to do something concrete to prevent a minority sabotaging our war effort. Write the Government. Express your opinions in the papers, and make sure any man who supports a strike in these times realizes what he is doing.

As for us, we take this opportunity to tell the world that we have no intention of being pushed around. Certainly not by any selfish group who feel that the present crisis is a golden opportunity to gain power and raise wages, even at the risk of torpedoing our whole war effort.

We are paying for this notice out of our own pockets, hoping it may help to save us the money we would lose if the Steel Company is shut down by a strike.

A COMMITTEE OF

THE INDEPENDENT MAJORITY of the STEELWORKERS of the STEEL CO. of CANADA

Hamilton Stelco Plant Still C. I. O. Target

Both U. S. W. A. and Company Union Claim Majority; Company Says Pay Averages $37.10 Weekly

While the labor situation at Algoma Steel and Dominion Steel & Coal hangs fire during the 30-day truce that followed the strike, union activity at the Hamilton plant of Steel Co. of Canada goes on with renewed energy.

The C. I. O. affiliated United Steel Workers of America claims to represent a majority of the Stelco workers, hence that it is the body with which the company should deal in any collective bargaining procedure. Company opinion is understood to be that the U. S. W. A. represents only a very small minority of the workers. Last week in the Hamilton Spectator a committee of the Independent Majority of the Steelworkers of the Steel Co. of Canada bought newspaper space to expound its anti-strike, anti-C.I.O. views (see cut).

Ask Conciliation Board

The union is applying to the Dominion Department of Labor for a Board of Conciliation.

The initial bone of contention is that of union recognition. But it is generally expected that this would lead directly to demands for negotiations over the basic wage rate on a similar basis with those at Dosco and Algoma.

6½% at Basic Rate

So far as the Hamilton works of Stelco are concerned, approximately 6½% of the employees earn the basic or minimum wage rate. These minimum rate employees earn either $26.57 or $29.15 for a full-time week. including the cost-of-living bonus, depending upon the number of hours in a standard week.

The weekly earnings of all Stelco wage earners averaged $37.10 for 1942, including cost-of-living bonus of $4.25. Dominion Bureau of Statistics figures show average weekly earnings in manufacturing industry at $30.65 for Canada as a whole, $31.92 for Ontario and $32.84 for Hamilton.

78½ Cent Average

Hourly wage rate paid by Stelco rise to a maximum of $3.53. The average for all payroll employees, including cost-of-living bonus, is 78½ cents an hour. Wage earners by hourly earnings are distributed as follows:

Hourly wage rate	No. of employees	% of employees
55c and under	410	9.3
55½c to 65c	1,115	25.3
65½c to 75c	869	19.8
75½c to 85c	865	19.8
85½c to $1	522	11.9
Over $1	609	13.9
	4,390	100.0

Stelco points out that while production of coke, pig iron and steel has continued uninterruptedly seven days a week since Sept., 1939, shifts are so arranged that normally the great majority of the men do not work more than six days a week. Figures for 1942 show an average for all employees of 48.29 hours worked per week.

Other Benefits

Since Jan. 1, 1920, a pension plan, supported entirely by the company, has been in effect. This makes it possible for employees reaching the age of 65 to retire on a pension from the company after the requisite number of years of service. To safeguard this plan the company has made irrevocable transfers to the pension fund trustees of over $3.5 millions to date.

Since Dec. 1, 1928, there has been in effect a benefit plan which is jointly supported by employees and the company. For 70 cents a month employees receive $500 life insurance, medical and surgical attention, hospital expenses, if necessary, and disability benefits up to a period of 13 weeks for any one illness.

Employee Representation

For nearly eight years through an employee representation plan, Stelco employees have chosen from among their ranks annually, by secret ballot, fellow workers to represent them in negotiations with the company. These representatives have met once each month with representatives of the management and have discussed suggestions from the employees relating to wages, working conditions, etc. Minutes of the proceedings are posted in all departments.

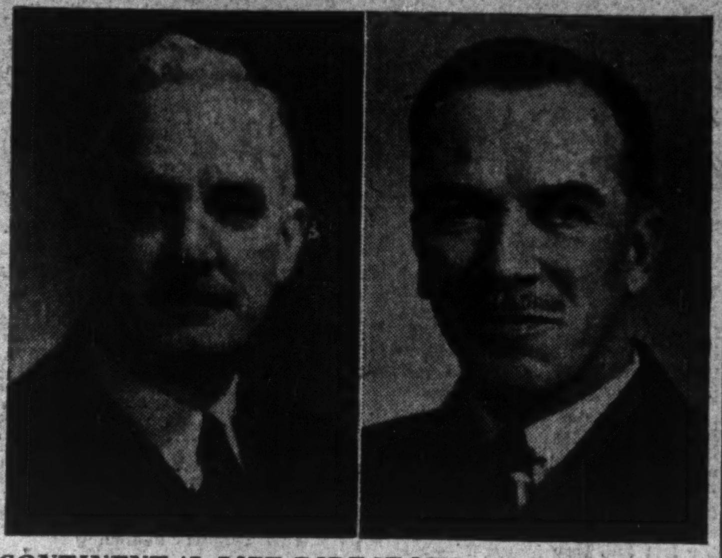
Upon outbreak of war a plan for the assistance of employees with six months' service with the company at that time who enter any of the armed forces, was put into effect. This provides two weeks' pay in addition to any regular pay due up to enlistment; carrying employees' group life insurance premiums while they are in service at company expense; upon honorable discharge an undertaking to restore them to the job they left; full credit for time spent in the armed services in their employment record with the company; and, finally, paying them an amount equal to 15% of what they would have earned had they remained in the service of the company instead of enlisting.

Discussing the background of the wage situation for the industry generally, Steel of Canada officials declare that there is a popular misconception that the industrial hazards to steel workers are high as compared with other occupations. The Workmen's Compensation Board of Ontario establishes assessment rates annually for all occupations and classes of industry coming under its jurisdiction and operations and these rates reflect the relative risks of industrial injury both as to frequency and severity. The provincial rates established by the Board for 1942, the latest figures available, show 89 occupations and industries in which the risk of accident is greater than to the steel worker.

Aids For Worker

According to these officials the public impression of back-breaking toil at steel plants is another fallacy. Powerful cranes, charging machines and manipulators move materials with little human effort. Where jobs are hot, or involve more than average exertion, such conditions are either infrequent with periods of relative inactivity between them or, by the use of spell hands, working schedules call for one hour on and a half hour off, or, in many cases, a half hour on and a half hour off.

While the C.I.O. loudly proclaimed to represent a majority of the Hamilton workers of Steel Co. of Canada and demanded collective bargaining rights; other Stelco workers took advertising space in a local newspaper (see cut at left) to tell how they felt about strike talk.



CONTINENTAL LIFE DIRECTORS —

Gordon R. Medland, (left) and Guy W. Rutter have been elected directors of the Continental Life Insurance Co. Mr. Medland is a partner of Medland & Son, insurance brokers, Toronto. Mr. Rutter is associated with York Knitting Mills Ltd.

C. P. R. Profits Best Since 1928

Dependent on Other Income, Indicated Share Profits $2,35 in 1942

From Our Own Correspondent

MONTREAL.—Net earnings of the Canadian Pacific Railway during December were the highest for that month on record, amounting to nearly $5.2 millions, or $103,561 above the figure reported a year ago.

The favorable December showing brought net earnings for the full year to $48.2 millions. This was the highest net operating income reported by the company for any year since 1928 when $52.9 millions was earned.

May Set Record

In addition to its net operating income, the Canadian Pacific will take into its accounts special income which, in 1941, totalled $18.6 millions. If the rate of other income is maintained, net earnings of the company for 1942 should aggregate nearly $67 millions, which compares with the previous all-time high of $64.4 millions set up in 1928.

With prior charges on the same level as in 1941 and after provision for full dividend on the preferred stock, indicated balance of net earnings for 1942 is around $2.35 a share on the ordinary stock. This contrasts with $2.19 in the preceding year.

December	1942 $	1941 $
Gross income	24,523,338	21,204,215
Working expenses ..	19,329,027	16,113,465
Net earnings	5,194,311	5,090,750
12 Months Ended December	$	$
Gross income	256,864,091	221,446,053
Working expenses ..	208,676,402	175,488,517
Net earnings	48,187,689	45,957,536

Have you provided enough CASH for estate taxes?

• Of this you can be certain—your estate will have to pay a sizeable amount of cash to the government for succession duties. They now assume major proportions — you *must* make provision for them. It is dangerous to ignore this important matter.

Ask for a copy of our booklet, "Review of Dominion Succession Duties." It shows the approximate total of death duties your estate would have to pay.

Crown Trust Company

Executors :: Trustees :: Financial Agents
MONTREAL TORONTO

Designers and Manufacturers of

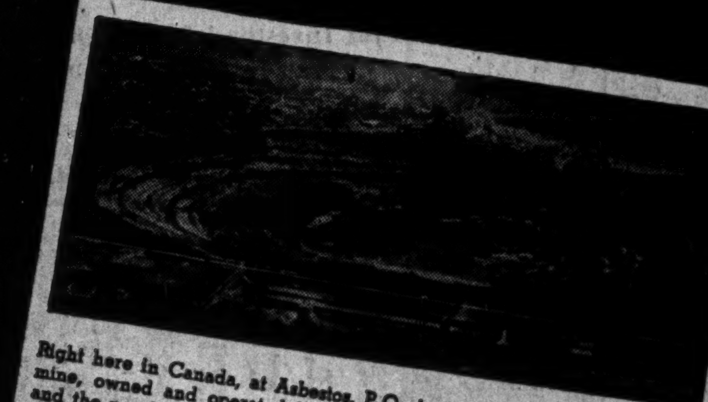
CONVEYING AND ELFVATING EQUIPMENT
MODERN POWER TRANSMISSION EQUIPMENT
COAL AND ORE HANDLING BRIDGES
WELDED PROCESSING EQUIPMENT
STEAM GENERATING EQUIPMENT
BALDWIN-SOUTHWARK HYDRAULIC PRESSES

We Invite Your Inquiries

UNITED STEEL CORPORATION LIMITED
TORONTO . . WELLAND — DODGE MANUFACTURING DIVISION — CANADIAN MEAD MORRISON — MONTREAL . . WINNIPEG

JOHNS-MANVILLE JM PRODUCTS

Eighty-five years of progress are reflected by this famous trademark... it has weathered the wars, disasters and depressions of the past... it is an emblem of progressive leadership and helpful service in the difficult days we have still to face . . . . While straining every nerve to meet the all-important demands of war, and war industries, Johns-Manville "carries on" with the work of serving the Canadian construction industry... the farmer... and the home owner. To us this is more than a "job"... it's a tradition.



Right here in Canada, at Asbestos, P.Q., is the world's largest asbestos mine, owned and operated by Canadian Johns-Manville. At this mine and the nearby mill and factory, more than 1,500 Canadian workers are busy right around the clock, seven days a week, producing asbestos products for Canada's wartime needs.

BT-1

CANADIAN JOHNS-MANVILLE CO., LIMITED
MINE AND FACTORY AT ASBESTOS, QUE. TORONTO • MONTREAL • WINNIPEG • VANCOUVER

Earnings Gain is Moderate

Trust and Insurance Companies Report Strong Position

INDUSTRIAL

Canadian Breweries

Net profit of Canadian Breweries Ltd., for the year ended Oct. 31, 1942, was $714,564, a further record over last year's peak of $570,570, despite a jump in taxes from $626,000 in 1941 to $1,257,000. Of the 1942 figure, $63,000 is refundable under federal tax rulings.

E. P. Taylor, president, states that net profit in the current year will not in all probability be cut, despite the government order restricting sale to 90% of last year's volume. This will be due to economies in distribution expenses and because profits are now controlled by the excess profits tax.

Annual meeting will be held March 29. At a special meeting immediately following, preference shareholders will be requested to pass a resolution consenting to the issuance of debentures and small obligations of the company. Directors are of the opinion, it is stated, that present restrictions on the issuance of debentures are no longer applicable since the company will, in the postwar period, require a new plant in Ottawa to replace that expropriated by the government and will also need to make additions and improvements in other properties.

Income and Surplus Account
Years ended Oct. 31

	1942 $	1941 $
Operating profit	2,610,289	1,796,819
Add: Other income	52,440	48,518
Total earnings	2,662,729	1,845,337
Less: Depreciation	541,536	491,855
Interest	136,797	124,083
Income & E.P. taxes	*1,257,000	626,000
Minority int.	43,932	43,878
Net profit	714,564	570,570
Less: Preferred divids.	522,196	489,556
Surplus for year	192,368	81,012
Add: Previous surplus	1,368,742	1,487,730
Refundable taxes	*63,000	......
Earned surplus forw'd	1,624,110	1,568,742

*Company deducts refundable tax portion from total tax payment before showing net profit. As this amount is not immediately available for dividends it is fully charged against current earnings here.

Earned per share:		
Preferred	$4.37	$3.49
Paid	3.00	3.00
Common	$0.28	$0.12
Paid	nil	nil

Working Capital

Current assets	4,565,344	4,117,559
Current liabilities	2,548,061	1,944,586
Working capital	2,017,283	2,172,973

Balance Sheet Changes

Cash	241,094	188,816
Investments	724,161	749,998
Accounts receivable	373,750	491,372
Inventories	3,156,107	2,834,253
Bank loans	241,800	401,400
Funded debt	1,272,500	1,350,000
Fixed assets less depre.	7,631,632	8,012,453

Cub Aircraft

Cub Aircraft Corp. has a backlog of business of over $300,000 with assurances of plenty of work for the current year, providing management remains stabilized, M. A. Seymour, president, states in the annual report. Toward the end of 1941 backlog amounted to only $10,000 and number of employees to 47. Employees now number 142 and will probably soon be increased to approximately 200.

Income and Deficit Account
Years ended Oct. 31

	1942 $	1941 $
Net earnings	12,435	4,444
Less: Depreciation	4,247	3,645
Taxes	3,211	463
Net profit	4,977	336
Less: Prev. deficit	28,326	23,002
w/o mfg. contract	......	5,069
w/o org. exp.	......	820
Adj: Prof. n/s bonds	65	229
Deficit forward	29,174	28,326
Earnings per share	$0.086	$0.002
Paid	......	nil

Working Capital

Current assets	100,224	98,620
Current liabilities	27,399	20,971
Working capital	72,825	77,649

Balance Sheet Changes

Cash	13,467	9,252
Accounts rec.	22,587	33,279
Inventories	63,459	50,149

Belding-Corticelli

Belding-Corticelli Ltd. reports a moderate rise in revenue for the year ended Nov. 30, 1942, practically all of which was absorbed in higher taxes, leaving net earnings on the common stock at $13.12 a share, against $12.48 a share in the 1941 fiscal year.

The company continued to produce war materials in considerable volume, president W. P. MacDougall reports.

The balance sheet shows working capital at the end of the year standing at $1,464,001, against $1,294,767 at the close of the preceding year. The principal changes in cash position were a drop in accounts receivable offset by substantial increases in holdings of government bonds.

Income and Surplus Account
Years Ended Nov. 30

	1942 $	1941 $
Net revenue	941,190	850,149
Less: Depreciation	186,868	186,860
Employee fund	25,000	30,000
Director's fees	7,240	7,240
Exec. salaries	47,530	45,535
Legal fees	2,883	1,346
Tax provision	514,000	425,000
Net profit	158,955	154,167
Less: pfd. dividend	60,571	60,571
Com. dividends	44,970	29,980
Surplus	53,414	63,616
Previous surplus*	569,974	605,180
Surplus forward	623,388	668,796

*Adjusted.

Working Capital

Current assets	2,008,888	1,888,420
Current liabilities	544,838	593,653
Working capital	1,464,001	1,294,767

Balance Sheet Changes

Govt. bonds	599,835	316,938
Cash	248,084	147,389
Accts. receivable	539,692	677,350
Inventory	714,432	746,711
Tax refund	42,646	......

Can. Ind. Alcohol

Canadian Industrial Alcohol Co.'s consolidated profit and loss statement for the three months ended Nov. 30, 1942, shows net earnings equal to 11.9 cents on the combined A and B shares, as against 13.8 cents a share for the like quarter of 1941.

Three Months Ended Nov. 30

	1942 $	1941 $
Oper. profit	533,673	356,531
Other income	32,475	11,545
Total income	566,148	367,076
Less: Exec. sal., etc.	8,457	5,869
Bank interest	2,774	3,300
Depreciation	140,571	48,107
Tax provision	282,531	170,000
Net profit	132,174	149,323

Western Breweries

Net profit of Western Breweries Limited in the year ended Oct. 31, 1942, was $140,414, despite an increase of $153,923 in taxes paid during the year. Consolidated surplus account shows a balance of $385,626.

In accordance with the provisions of the sinking fund in connection with the first mortgage bonds covering the company's properties, bonds amounting to $25,000 were retired April 1, leaving a balance outstanding of $400,000.

Expenses included a reserve of $200,000 for income taxes and a further reserve of $75,000 for war and postwar contingencies.

Consol. Income and Surplus Account
Years Ended Oct. 31

	1942 $	1941 $
Operating profit	1,270,479	962,073
Less: Excise tax, etc.	789,461	635,538
Net oper. profit	481,018	326,535
Add: Int., divds., etc.	57,919	12,840
Less: Exec. sals., legal fees	22,721	24,403
Directors' fees	1,000	1,000
Depreciation	77,264	75,618
Bond interest	22,538	23,926
Income & E. P. tax, war conting. res.	275,000	87,750
Net profit	140,414	126,778
Less: Dividends	48,957	24,479
Surplus for year	91,457	102,299
Add: Prev. surplus	290,871	179,889
Capital profits (net)	3,463	8,454
Less: Tax adjusts.	165	772
Surplus for year	385,626	290,871
Earned per share	$0.57	$0.52
Paid	.20	.10
Shares o/s, n.p.v.	244,786	224,786

Working Capital

Current assets	616,020	419,916
Current liabilities	322,407	192,840
Working capital	293,613	227,076

Can. Investment Fund

A moderate reduction in earning power is reported by Canadian Investment Fund Ltd. for 1942. The number of issued shares increased and there was a deficit of $7,944, as against a surplus of $24,492 the year before.

During the year the number of issued shares increased from 2,290,713 to 2,472,311. Book value of investments at $8,695,412, compared with market value of $7,773,553. At the close of 1941, the book value of investments was $8,092,473 and market value $6,606,787.

Changes in the investment portfolio last year follow the income and surplus account:

Income and Surplus Account
Years Ended Dec. 31

	1942 $	1941 $
Income	436,856	464,895
Expenses	14,639	16,459
Taxes	27,233	40,523
Net profit	394,984	407,913
Less: Spec. divids.	402,759	383,251
Ord. divids.	169	170
Surplus	*7,944	24,492
Previous surplus	168,679	134,406
Add: Tax provision	8,562	4,142
Sub to stock	8,182	9,964
Less: Red. on stock	882	4,325
Surplus forward	176,591	168,679

*Deficit.

Changes in Holdings

	1942	1941
Common		
Aluminium Ltd.	2,000	2,000
Asbestos Corp.	2,500	2,000
Bank of Montreal	200	100
Bell Telephone	1,000	900
B. A. Oil	15,000	14,000
Building Products	6,000	5,600
Canada Packers	600	400
Can. Bk. of Commerce	200	100
C.I.L. (B)	800	......
Dominion Stores	4,800	1,800
Hudson Bay Mining	11,000	12,500
Inter. Nickel	11,000	8,000
Inter. Petroleum	15,000	13,000
Montreal Power	6,900	4,000
McIntyre Porcupine	3,000	3,800
Nat. Breweries	8,000	5,000
Nat. Steel Car	3,500	3,325
Noranda	6,000	5,500
Ogilvie Flour	7,000	6,000
Royal Bank	200	100
Bonds		
3rd Victory	200,000	......
D. of C. 3/51	......	100,000
U. S. Com. Stock		
American Can	......	1,000
Chrysler	1,050	......

TRUST & LOAN

Crown Trust Co.

Lower interest rates on the invested funds, less activity, and higher operating expenses, resulted in a drop in Crown Trust Co.'s revenue for 1942 to $52,721 from $74,801 the year before.

The balance sheet as at Dec. 31 last shows that among company accounts a greater degree of liquidity has been achieved, cash, call and time loans being appreciably higher.

Income and Surplus Account
Year Ended Dec. 31

	1942	1941
Net revenue	52,721	74,801
Less: Taxes	20,666	33,949
Dividends	40,000	40,000
Deficit	7,945	852
Previous surplus	49,656	48,804
Surplus forward	41,711	49,656
Earned per share	$3.21	$4.01
Paid per share	4.00	4.00

Balance Sheet Changes

Company account:		
First mortgages	326,500	434,822
Call & time loans	183,800	105,450
Property for sale	41,303	62,749
Cash	189,792	146,184
Guaranteed account	1,769,668	1,466,419
Estates, trusts, etc.	39,281,452	39,882,530

Trusts & Guarantee

Trusts & Guarantee Co. net profit was $7.78 a share in 1942 as compared with $7.31 in the previous year.

Mortgages and agreements for sale are shown at $532,897 as compared with the previous figure of $523,788. Real estate held for sale is some $2,000 lower at $219,246. The guaranteed account stands at $8,392,285, down $585,117 from 1941.

Annual meeting of the company is called for Feb. 10, in Toronto.

Income and Surplus Account
Years Ended Dec. 31

	1942 $	1941 $
Net earnings	104,061	104,182
Less: Taxes	5,540	11,554
Net profit	98,521	92,628
Less: Dividends	25,266	25,303
Surplus on year	73,255	67,325
Add: Prev. surplus	336,588	269,263
Surplus forward	409,843	336,588

Creditors' Position

Trust funds	5,968,450	6,065,308
Deposits	2,423,835	2,332,084
	8,392,285	8,397,392
Secured by:		
Liquid assets	2,687,490	2,876,543
Mortgages and int.	5,704,786	6,110,849
Other net assets	1,677,344	1,604,088
	10,069,620	10,591,480
Estates, etc.	39,268,215	39,890,765

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Bveerages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	8	7	3	4	10	12	7	15	15	8	19	95
					(Base 1935-39=100)							
*1935 to date:												
High	134.5	234.4	149.7	123.7	135.7	118.3	128.3	153.4	†146.8	118.2	145.0	134.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	68.7	60.2	69.0	65.2	61.1
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
Feb.	73.4	69.3	69.7	43.6	108.7	85.5	96.3	73.9	62.1	91.1	67.7	64.7
Mar.	69.7	66.1	70.9	41.2	104.3	75.8	92.8	74.0	62.0	89.4	67.5	62.3
Apr.	70.6	63.2	69.6	41.4	102.4	74.2	93.1	73.9	60.2	88.4	66.3	61.1
May	74.7	61.1	70.5	43.2	104.3	73.5	94.2	75.7	60.7	87.4	66.4	62.0
June	76.2	61.1	69.6	44.5	106.6	73.9	93.6	76.8	64.3	87.7	68.1	62.8
July	76.6	58.9	65.3	46.6	100.4	75.9	95.5	75.3	65.2	81.7	67.8	62.4
Aug.	78.0	56.0	61.2	47.5	97.7	75.3	98.3	73.1	66.9	71.9	67.8	61.6
Sept.	77.3	55.9	62.0	49.0	99.8	74.2	98.7	71.2	67.1	69.0	69.2	62.6
Oct.	80.3	57.8	64.9	51.0	99.6	74.0	98.9	70.8	67.9	70.3	72.0	65.0
Nov.	82.5	62.6	72.3	53.7	101.6	77.1	105.5	74.9	72.1	72.3	77.6	67.6
Dec.	86.0	71.2	81.9	57.9	109.3	82.5	107.3	79.6	80.7	74.4	83.8	71.3
1943: Weekly Figures:												
Jan. 7	87.6	73.3	81.0	62.0	111.7	84.9	107.5	83.0	85.0	75.6	87.7	73.8
Jan. 14	90.4	76.4	83.4	62.0	113.2	87.9	108.8	84.2	87.9	76.8	90.0	75.4
Jan. 21	91.0	77.1	81.9	63.3	115.8	89.6	110.4	84.3	90.7	76.9	91.5	77.2
Jan. 28	92.1	74.5	83.2	64.4	116.1	90.3	112.0	84.5	90.3	77.5	90.7	78.5

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	15 Golds	10 B.M.	15 W.O.
Feb. 2	[illegible]	[illegible]	[illegible]	20.99
Feb. 1	[illegible]	[illegible]	[illegible]	21.05
Jan. 30	[illegible]	[illegible]	[illegible]	21.01
Jan. 29	[illegible]	[illegible]	[illegible]	20.83
Jan. 28	[illegible]	[illegible]	[illegible]	20.74
Jan. 27	[illegible]	[illegible]	[illegible]	20.73
Month ago	[illegible]	[illegible]	[illegible]	18.49
Year ago	[illegible]	[illegible]	[illegible]	16.22
High 1943	[illegible]	[illegible]	[illegible]	21.07
Low 1943	[illegible]	[illegible]	[illegible]	18.14

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Feb. 2	53.6	68.6	63.6	78.87	55.53
Feb. 1	53.6	68.4	63.5	80.32	55.47
Jan. 30	53.9	68.5	63.6	79.09	55.28
Jan. 29	53.8	68.4	63.5	78.47	55.26
Jan. 28	54.2	67.8	63.2	76.62	54.50
Jan. 27	54.3	68.0	63.4	77.52	53.94
Month ago	52.2	63.8	59.9	73.28	50.80
Year ago	42.6	59.3	53.8	74.34	52.27
High 1943	54.9	68.6	63.8	81.84	55.53
Low 1943	51.8	63.4	59.5	74.07	49.15

Waterloo Trust

Waterloo Trust & Savings Co., Waterloo, showed a net profit of $8.59 per share in the year ended Dec. 31, 1942, compared with $8.82 in the previous year. Taxes were up from $40,516 to $44,620 in the period.

Despite heavy withdrawals of deposits for investment in Victory bonds, subsequent new funds have maintained deposit business well up in the period, Ford S. Kumpf, president, notes. The company itself subscribed more than $1.5 millions to the last two loan issues.

Income and Surplus Account
Years Ended Dec. 31

	1942 $	1941 $
Net earnings	130,592	127,746
Less: Taxes	44,620	40,516
Net profit	85,972	87,227
Less: Dividends	50,000	50,000
Conting. res.	30,495	31,300
W/o office fixtures	3,000	3,000
Surplus for year	2,477	2,902
Add: Prev. surplus	25,920	22,999
Surplus forward	28,397	25,920
Earned per share	$8.59	$8.72
Paid	5.00	5.00

Liabilities to Public
As at Dec. 31

Guar. invest. certs.	4,150,091	4,113,790
Deposits	7,193,349	7,243,999
	11,343,440	11,357,789
Secured by:		
Liquid assets	4,912,635	4,755,037
Mortgages & int.	6,421,805	6,602,733
Other net assets	1,438,398	1,425,920
	12,862,838	12,783,709
Estates, etc.	8,660,552	8,264,446

Brockville Trust

Net profit of the Brockville Trust & Savings Co. in 1942 was $2.71 per share, unchanged from 1941. Estates under management of the company totalled $2,665,591, as compared with $2,652,131 in the previous year. Guaranteed trust account deposits were down $75,355 from $566,278 to $490,923 in 1942.

Annual meeting will be held in Brockville, Feb. 10.

Income and Surplus Account
Years ended Dec. 31

	1942 $	1941 $
Net earnings	44,844	50,573
Less: taxes	17,784	23,450
Net profit	27,060	27,123
Less: Dividends	25,000	28,750
Surplus for year	2,060	*1,627
Add: Prev. surplus	13,934	15,561
Surplus forward	15,994	13,934
*Deficit.		
Earnings per share	$2.71	$2.71
Paid	$2.50	$2.87½

Liabilities to Public
As at Dec. 31

	1942 $	1941 $
Deposits	490,924	566,276
Invest. Certificates	281,300	277,200
Interest	4,043	3,590
	776,266	847,066
Secured by:		
Liquid assets	263,041	283,744
Mtges. & int.	513,225	563,322
Other net assets*	715,994	713,935
	1,492,260	1,561,001
Estates, etc.	1,087,077	986,977

*After deducting reserve for taxes and unrealized profits, reserve against mortgages, sale agreements and real estate held.

Victoria Trust

Net profit of Victoria Trust & Savings Co. improved to $5.49 a share in 1942 from $4.70 in 1941. T. H. Stinson, president, notes that this increase is a reversal in the trend which has prevailed for some years. He adds that the improvement in general conditions justifies a prediction that the favorable trend will continue until the company's gross earnings again become more nearly normal with those prevailing before the general slump of the 1930's.

Income and Surplus Account
Years Ended Dec 31

	1942 $	1941 $
Net earnings	59,461	56,494
Less: Taxes	15,000	18,400
Net profit	44,461	38,094
Less: Dividends	32,400	32,400
Surplus for year	12,061	5,694
Add: Prev. surplus	25,989	25,295
Less: Tfr. spec. res.	10,000	5,000
W/o prop. equip.	636	......
W/o off. premises	700	......
Surplus forward	26,715	25,989
Earnings per share	$5.49	$4.70
Paid	4.00	4.00

Liabilities to Public

	1942 $	1941 $
Investment certs.	5,430,840	5,506,573
Trust deposits	1,926,870	1,814,361
Total	7,357,710	7,320,933
Secured by:		
Liquid assets	2,212,184	1,932,490
Mortgages & int.	5,145,526	5,388,444
Other net assets	1,521,715	1,520,989
	8,879,425	8,841,923
Estates, etc.	2,061,255	1,836,073

Northern Trusts

Northern Trusts Co., Winnipeg, improved net profit during 1942 to $43,453 or $1.45 a share from $41,185 or $1.37 a share in 1941. Earned surplus now amounts to $250,238, entire net profits being credited to this account.

Liabilities to Public
As at Dec. 31

	1942 $	1941 $
Guaranteed funds	435,451	609,891
Secured by:		
Liquid assets	......	3,141
Mortgages	434,213	606,749
Other net assets	1,129,782	1,112,694
	1,564,233	1,722,584
Est. trusts & agencies	14,259,094	14,490,408

Industrial Mortgage

Industrial Mortgage & Trust Co., Sarnia, Ont., had net profit in 1942 of $2.43 per share, as compared with $2.15 in 1941. Dividends at the rate of $2 were paid.

Income and Surplus Account
Years Ended Dec. 31

	1942 $	1941 $
Net profit	30,912	27,271
Less: Dividends	25,400	25,400
Surplus for year	5,512	1,871
Add: Prev. surplus	32,169	30,298
Surplus forward	37,681	32,169

Liabilities to Public
As at Dec. 31

	1942 $	1941 $
Guar. invest. certs.	2,300,486	2,410,321
Deposits	1,248,655	1,206,787
	3,549,141	3,617,108
Secured by:		
Liquid assets	1,784,063	1,707,931
Mtges. & int.	1,680,057	1,792,177
Other net assets	1,142,681	1,169,169
	4,606,801	4,669,277
Estates, etc.	1,190,036	1,085,035

Hudson Bay Mtge.

Hudson Bay Mortgage Co. of Vancouver, improved net profit in 1941 to $2,003 from $1,527 in the previous year, largely through reducing operating expenses.

Loans on mortgages increased $2,600 to $62,305, while property sales during the year reduced this account to $9,927 from $13.183. Dominion bond holdings are $2,000 higher at $9,456.

Income and Deficit Account
Years ended Dec. 31

	1942 $	1941 $
Receipts	4,854	4,786
Less: Expenses	2,762	3,150
Taxes	89	106
Net profit	2,003	1,527
Less: Prev. deficit	13,021	14,438
Prev. yr. taxes	134	110
Deficit forward	11,152	13,021

Preferred dividends are in arrears since June 30, 1934.

Yarmouth Bldg.

Yarmouth Building & Loan Society, Yarmouth, N.S., reports net profit in 1942 at $8,332 or 4.7% of paid-up capital as compared with $8,911 or 4.9% of paid-up capital in 1941. Partially accounting for the decline were higher taxes and a heavier transfer to general reserve.

Income and Surplus Account
Years ended Dec. 31

	1942 $	1941 $
Transfer from:		
Interest acct.	24,092	22,737
Premium acct.	148	105
Rents, etc.	515	....
Real estate	572	667
Invest. profits	....	5
Tax income	....	55
Total income	25,328	23,570
Less: Expenses	3,126	3,402
Interest	3,369	2,756
Taxes	8,000	7,500
Tfr. genl. reserve	2,500	1,000
Net profit	8,332	8,911
Less: Dividends	8,908	9,214
Deficit for year	576	303
Add: Prev. surplus	2,177	2,480
Surplus forward	1,601	2,177

Real Estate Loan

Real Estate Loan Co. of Canada, Ltd., Toronto, had a net profit of $2.49 a share in 1942 as compared with $2.39 in the previous year.

Net earnings were up $942 over 1941. Seventy-eight properties, mostly in Winnipeg, were sold in the year, C. A. Morris, managing director, reports, netting $162,030. Collections were felt to be satisfactory, but the company states that new mortgages were hard to obtain and as an alternative part of the surplus was used to repay outstanding debentures.

Income and Surplus Account
Years Ended Dec. 31

	$	$
Inc. from invs., etc.	63,397	62,364
Less: Int. paid	21,319	24,231
Exps. money borrow.	1,286	1,638
Mgmt. & dirs. fees	16,815	14,796
Taxes	5,042	4,306
Real estate res.	6,000	6,000
Invest. res.	500	......
Net profit	12,435	11,993
Less: Dividends	10,000	10,000
Surplus on year	2,435	1,993
Add: Prev. surplus	18,606	16,613
Surplus forward	21,041	18,606
Earned per share	$2.49	$2.39
Paid	2.00	2.00

Liabilities to Public
As at Dec. 31

	$	$
Debentures & int.	481,099	573,190
Secured by:		
Liquid assets	203,204	153,558
Mtges. and int.*	864,352	851,203
Other net assets	149,585	302,035
	1,217,141	1,306,796

*After deducting reserve of $60,000.

INSURANCE

Dom. of Can. General

Results in the fire and casualty departments of the Dominion of Canada General Insurance Co. in 1942 were described by H. W. Falconer, managing director, at the annual meeting in Toronto this week, as satisfactory, despite lower premiums now available to fire and automobile policyholders. The company, which is a multiple line company, showed an increase in life insurance in force of $2.4 millions.

	1942 $	1941 $
Total assets	6,278,003	5,957,509
Total income	1,981,156	2,058,494
P'holders surplus	2,054,427	2,024,882
Life ins. in force	18,610,269	16,192,000
Business issued	3,254,708	2,350,000

PRESIDENT

Norman Franks of Canadian General Electric Co. has been elected president of the Electric Service League of Toronto. Mr. Franks is manager of the Toronto district office of C.G.E.

Equitable Life

Assets of the Equitable Life Insurance Co. of Canada at the end of 1942 totalled $13.9 millions, an increase of $712,415 over the previous year. The increase, M. J. Smith, president, stated at the annual meeting, was due chiefly to expansion in the mortgage and bond accounts. During the year Victory loan subscriptions were $650,000.

Policy reserves were up $495,850 and are considerably higher than statutory requirements, it was stated. Insurance in force rose to $44 millions on Dec. 31 with business issued during the year $4.4 millions compared with $3.2 millions in 1941. Policy loans declined by $119,852 and surrendered policies were $35,735 lower. Despite war losses death claims were lower than a year ago.

	1942 $	1941 $
Business in force	44,045,418	42,220,025
Business issued	4,452,458	3,238,860
Total income	2,008,447	1,893,728
Premiums	1,076,966	1,027,630
Inv. income	727,880	702,349
Policy payments	754,645	866,210
Assets	13,894,282	13,181,259
Policy reserves	11,930,749	11,434,899
Surplus	658,506	603,014
Interest earned	5.1%	5.0%

Monarch Life

Increases in business in force, total assets and business issued during the year are shown in the report of the Monarch Life Assurance Co. for 1942.

Holdings of Dominion Government securities increased by an amount greater than the increase in total assets, according to E. J. Tarr president.

Important items from the report follow:

	1942 $	1941 $
Business in force	73,642,637	68,861,730
Business issued	9,495,784	8,843,542
Total assets	17,759,135	16,659,000
Bonds	9,499,840	8,072,654
Stocks	2,255,544	2,114,206
Mortgages	3,194,036	3,487,176
Policy loans	1,783,989	1,879,689
Policy reserves	14,216,101	13,438,823
Surplus	659,145	613,500

London Life

Insurance in force on Dec. 31 with the London Life Insurance Co. at $863.8 millions was over $94.6 millions higher than at the end of the previous year. The figures include ordinary, industrial and group life. Insurance issued during the year in all three branches was $130.8 millions. The corresponding figure for the previous year was $111.8 millions.

Total income for the year was $32.6 millions compared with $29.9 millions in the preceding year.

Important items in the report follow:

	1942 $	1941 $
Business in force	863,885,187	769,214,424
Business issued	130,836,060	111,825,791
Total income	32,647,418	29,991,632
Premiums, etc.	21,808,870	19,768,915
Int., divds., etc.	6,873,566	6,645,133
Assets	168,814,441	154,805,427
Bonds & debs.	103,166,782	84,433,943
Mortgages	41,871,224	44,404,926
Policy loans	14,728,919	15,140,348
Stocks	1,719,748	1,776,656
Policy reserves	125,892,509	115,186,364
Policy payments	12,198,227	12,216,919
Death claims	3,159,317	2,985,538
Other	9,038,910	9,230,380

Excelsior Life

An increase of $11.7 millions in insurance in force to $134 millions is reported by the Excelsior Life Insurance Co., in its annual statement for 1942.

Of the total $28 millions assets for the security of policyholders, 71.62% were in bonds and debentures. Practically all funds available for investment during the year were placed in Victory loans. But due to holdings of a considerable amount of bonds and debentures yielding a higher rate of interest than is now obtainable on first-class securities, the company was able to earn an average rate of interest of 4.51%.

	1942 $	1941 $
Insurance in force	134,016,331	122,264,696
Business issued	18,662,605	14,366,202
Total receipts	4,771,327	4,300,499
Prem. income	3,591,077	3,247,650
Int., divds., etc.	1,180,250	1,052,848
Policy payments	1,839,938	2,087,650
Death claims	663,825	670,531
Surr. policies	478,427	723,848
Maturities, etc.	697,686	693,271
Total assets	28,032,064	26,130,570
Bonds & debs.	19,478,777	16,805,231
Mortgages	2,647,343	2,937,334
Policy loans	2,799,554	2,968,148
Pol. reserves	23,883,176	22,276,453
Unallotted surplus	1,038,816	1,066,380
Interest earned	4.51%	4.53%

EXPERIENCED TRAVELLERS
CARRY
MONEY
SAFELY
Canadian Pacific Express
TRAVELLERS CHEQUES

The Bondholder

Low interest rates available on high-grade securities continue to extend the downward trend in returns which large investors have been experiencing for some time. A current instance is that of North American Life Assurance Co., which reports that during 1942, it subscribed for $5 millions of each of the Second and Third Victory Loans, a total of $10 millions, of which $8.7 millions was paid for during the year.

This amount compares with an increase in invested assets of $4.5 millions, the balance of the money coming from sale or maturity of existing investments, proceeds of sale of real estate, and reduction in policy loans. In 1942, the company's interest earnings of $3.1 millions were approximately the same as in 1941, but on a larger invested total.

As a result, the gross earned rate was 4.39% as compared with 4.58% in the preceding year. This condition is typical of this type of investor and indicates the extent of their problem in attempting to maintain their investment income.

* * *

Investors in Canadian securities are able to participate in a vastly broader economy than that before the war and in one that should not suffer unduly in the transition to peace. Such is the theme of "Canada's War Economy" just issued by Midland Securities which points out these facts:

"An industrial revolution has taken place in Canada. It has been effected without resort to inflation, or to totalitarian controls. The change has taken place without disturbing the basic rights of property, nor has it caused the Canadian price and wage structure to get out of line with other international movements."

This investment house goes on to report on the wartime growth of some Canadian industries such as steel, precision instruments and aircraft, and concludes:

"The real significance of these facts is that well over 90% of Canadian war production has been achieved through private industry. In the process, Canadian industry has shifted to mass production technique on a scale never before equalled, and nearly a million Canadian workers, now engaged in war production, have learned the secrets of the most modern technical processes.

"To the investor these facts prove only the major point that money invested in Canada is secured by vastly more productive, more integrated and better balanced economy than it was three years ago."

MANAGER

Allan B. Ramsay, who has been appointed manager of the Toronto office of Guaranty Trust Co. of Canada. Guaranty Trust maintains offices in Toronto, Windsor, Niagara Falls and Montreal.

St. Maurice Power Corporation
5% Second Mortgage Sinking Fund Bonds
Due August 1st, 1956
Price: 100.50 and accrued interest, yielding 4.95%
Enquiries receive prompt attention.
36 King Street West, Toronto, Telephone: ELgin 4321
Wood, Gundy & Company Limited

SYSTEMATIC REVIEWS
Continued improvement in security markets make it advisable to have your list reviewed.
Ask for our suggestions.
GOODWIN HARRIS & COMPANY
STOCK BROKERS AND BOND DEALERS
MEMBERS: THE TORONTO STOCK EXCHANGE, CANADIAN COMMODITY EXCHANGE, INC.
SUCCESSOR IN TORONTO TO SEAGRAM, HARRIS & BRICKER
347 BAY ST., TORONTO PHONE AD. 9041

WAR WORKERS—DRIVING
"ABSENTEEISM" HARMFUL TO THE WAR EFFORT
DRIVE WITH CARE
THE GENERAL ACCIDENT GROUP
357 Bay St. Toronto, Ont.

NOTICE TO SHAREHOLDERS OF THE ALBERTA PACIFIC GRAIN COMPANY LIMITED

An offer has been made through the Directors of The Alberta Pacific Grain Company Limited for the purchase of all the Preferred shares of the Company at $115.00 per share and all the Common shares at $3.00 per share.

Shareholders wishing to take advantage of the offer must accept same and deposit their acceptances and share certificates with The Royal Trust Company by whom they will be held in escrow.

March 10, 1943, is the final date for acceptance of the offer. The purchaser is only bound to take the shares deposited by March 10, 1943, if the holders of 65% of the Preferred shares accept the offer by that date. If the holders of less than 65% of the Preferred shares accept the offer, the purchaser may, but is not obliged to take the shares deposited by that date. In any event, the purchaser is not bound to take any shares offered after March 10, 1943.

Although the Directors accept no responsibility in regard to the matter, they are of the opinion that the acceptance of the offer is in the best interest of all the shareholders of the Company.

A letter from the Directors and copy of the offer are being mailed to all registered shareholders. Copies can be secured by other shareholders on application to the Company at Winnipeg or at any office of The Royal Trust Company.

THE ALBERTA PACIFIC GRAIN COMPANY LIMITED

THE VICTORIA TRUST AND SAVINGS COMPANY

LINDSAY, ONTARIO

Balance Sheet — December 31st, 1942

ASSETS

CAPITAL ACCOUNT		
Office Premises and Land, Lindsay and Cannington		$ 26,000.00
Other Real Estate—		
Farm properties		75,549.71
City properties		101,141.91
Advances to Estates and Agencies under administration		19,801.32
Property Equipment		3,339.00
Mortgages and Aggreement for Sale—		
Principal	$1,145,263.64	
Interest Due & Accrued	43,504.03	1,188,767.67
Bonds and Debentures and Accrued Interest—		
Canadian Municipal, Rural Telephone and School District Bonds	25,411.69	
Canadian Corporation Bonds	10,961.66	
Foreign Government Bonds	18,776.87	55,150.22
Stocks		11,148.50
Loans on Company's Stock and Accrued Interest		11,597.16
Loans on other Securities and Accrued Interest		38,083.06
Cash on Hand and in Bank		21,531.13
Total Capital Assets		$ 1,552,100.68
GUARANTEED TRUST ACCOUNT		
Mortgages—		
Principal	$5,000,392.80	
Interest Due & Accrued	145,133.30	5,145,526.10
Bonds and Debentures and Accrued Interest—		
Government and Government Guaranteed Bonds	1,047,493.28	
Canadian Municipal, Rural Telephone and School District Bonds	266,461.20	
Canadian Corporation Bonds	300,775.64	
Foreign Government Bonds	32,951.88	
Foreign Corporation Bonds	22,347.50	1,670,029.50
Stocks		319,236.06
Loans on other Securities and Accrued Interest		8,538.01
Cash on Hand and in Banks		214,330.44
Total Guaranteed Trust Assets		$ 7,357,710.11
ESTATES DEPARTMENT		
Investments, etc., held in Trust for Estates and Agencies		2,061,255.20
		$10,971,074.99

LIABILITIES

CAPITAL ACCOUNT	
Capital Stock Subscribed and Fully Paid	$ 810,000.00
Reserve Fund	300,000.00
Investment Reserve	385,000.00
Reserve for Income and Excess Profits Tax	20,751.26
Dividend Declared and Payable January 2nd, 1943	8,100.00
Due to Mortgagors	1,533.75
Balance at Credit of Profit and Loss Account	26,714.67
Total Capital Liabilities	$ 1,552,100.68
GUARANTEED TRUST ACCOUNT	
Guaranteed Investment Receipts	$ 5,430,839.97
Trust Deposits	1,926,870.14
Total Guaranteed Trust Liabilities	$ 7,357,710.11
ESTATES DEPARTMENT	
Estates Trust and Agency Account	$ 2,041,453.88
Due to Company Funds	19,801.32
	$10,971,074.99

T. H. STINSON, President. C. E. WEEKS, Managing Director.

AUDITORS' CERTIFICATE

We have audited the Books and Accounts of The Victoria Trust and Savings Company for the year ended December 31st, 1942, verified the Investment Securities, Cash on Hand, and the Balances in Banks. We have, after due consideration formed an independent opinion of the Company as at December 31st, 1942 and we certify that in our opinion so formed, according to the best of our information and the explanations given us, the accompanying Balance Sheet with the related Profit and Loss Account sets forth fairly and truly the position of the Company on that date.

We certify that all transactions of the Company that have come within our notice have been within the powers of the Company.

LINDSAY, Ontario, January 18th, 1943.

RUTHERFORD WILLIAMSON (F.C.A.)
HAROLD A. SHIACH (F.C.A.)
Auditors

The "Ruml" Round-up

Here Are the Arguments For and Against

Interest in the so-called "Ruml" plan of income tax payments continues to mount. Various public bodies are passing resolutions asking its adoption. At the request of many readers, The Financial Post herewith presents in simplest form the basic facts about the plan; the pros and the cons.

Was Beardsley Ruml originator of the plan for pay-as-we-earn income tax?

He has been its chief formulator and exponent and has given it a great deal of publicity. But some form of this scheme was considered by officers of the Canadian department of finance when they were working on the last budget, which came out August, 1942.

Why is there so much concern about adoption of a pay-as-we-earn income tax plan at this time?

Because up until now, income tax mattered to a relatively small number of people and it didn't matter to them very much. Back in 1939, for instance, the man (with wife and two children) earning $3,000 a year paid $9 income tax. The man with $20,000 a year paid $660.

Only 237,000 in all Canada that year paid income tax. In other words, income tax affected only that group in the community which would normally have a bank account and some assets.

War has changed that situation. In 1941 there were 300,000 Canadians paying income tax. For the 1942 period, the income taxpayers will number around 1,600,000 and of that number 1,472,000 will earn less than $2,500 per year.

What is the criticism of present tax procedures?

Those who pay at the source through 1943 are being assessed on their current rate of earnings. But the taxes collected are applied against 1942 tax, based on 1942 earnings.

If 1943 earnings are higher than 1942, the government will owe you a rebate next September. But if your 1943 earnings are lower, you will owe the government. In other words, next September will add to the funds of those whose income is rising and who need the money least, will further reduce the circumstances of those who are already suffering a lower income. It is thus working exactly contrary to the generally accepted aims of public finance.

Three classes of taxpayer are the chief sufferers—all because their income drops or disappears.

1. Those who die (even the dead owe eight months' taxes).
2. Those who join the armed forces.
3. Those who retire on pension.

Will the government collect the taxes owing in any case?

Many tax delinquents the government can and will catch. But taxes can't be got out of people unless those people are really able to pay them and are willing to pay them. Assume there are 10,000 Canadians, such as war workers, reduced to much lower incomes who do not have the savings to pay their very sizeable tax debts on the eight months' hangover. It is politically unthinkable and practically impossible to harass these people with law or to jail them for an old tax debt.

Does adoption of the pay-as-we-earn plan involve any loss of revenue to the government?

There are two ways of looking at this. The eight months' debt amounts to about $450 millions for Canada at current rates. If the current system is continued indefinitely, the tax debt will vary from year to year, depending on the size of the annual tax bill.

If the debt is "forgiven," the government theoretically loses (say) $450 millions that it would have collected as taxpayers die. In other words, the $450 millions should be amortized over the life of the present taxpaying generation by increasing the tax rates. It could be done in 15 years by increasing the rates less than 5%.

Actually, the government "loses" nothing. Since it is free to collect all the money it needs, within the limits of the taxpayers' ability to pay, it is free at any time to raise taxes the 5% that might be needed to lift the burden from dying taxpayers.

For those taxpayers whose income drops, but who do not die, there would be an offsetting item in the rebates which are owed to those whose income is rising. This rebate might be cancelled under pay-as-you-earn, and if the plan goes into effect in a period of rising income, the cancelled rebates would more than balance any loss through easing the load on less fortunate taxpayers.

What are the objections to adopting the pay-as-we-earn tax plan?

The pay-as-we-earn plan is best adapted to the salary and wage earner. Under present Canadian tax conditions it appears to hold doubtful advantage for the sole proprietor which includes the man who runs his own business, big or little, the farmer, fisherman, and professional man.

In Canada, the sole proprietor pays one quarter of his estimated annual income October 15, another quarter on January, 15. Between then and April 15, he calculates his actual income for the previous year, pays half the balance of his actual tax and on July 15 the other half. This means that the sole proprietor comes out even. For him there is no need for rebates or adjustments. There is a six month's lag in payment, but this is offset by the fact that the only alternative would be for the sole proprietor to draw up a complete balance sheet every tax deduction period.

From the point of view of government, the big worry about adoption of the pay-as-we-earn scheme is misinterpretation of its effects by political opponents.

Because of its complexities, it is doubtless feared that its introduction might, before it had widespread public discussion, be interpreted as "forgiving" one year's taxation. And the amount forgiven would vary according to income, naturally. Thus it would appear that the rich man was being "forgiven" $25,000 whereas the poor man was being "forgiven" only $25. Such an objection, of course, is completely fallacious, but until there had been considerable public understanding of the plan, such a misconception was probable. Similarly, because the scheme is of particular concern to wage and salary earners, it was probably feared that the Canadian farmers would feel there was discrimination against them, although as "sole proprietors," the farmers actually fare slightly better than the salary or wage earner.

Is a pay-as-we-earn plan of importance for wartime only?

Its advantages are just as important for peacetime. Canada, in the three years of war, has revolutionized her tax system. Prior to the war, two thirds of our revenue came from indirect taxes, a kind of taxes which are taxes on business and on consumption, taxes which slow down and hinder business and which often work out unfairly. This kind of taxes, tax experts do not wish to return to.

Now about two thirds of Canada's tax revenue comes from income tax which is generally admitted to be the fairest type of tax. After the war, it is likely that this dependence on income taxes for revenue will continue.

Would the plan raise our taxes immediately?

Adoption of pay-as-you-go income taxes in Canada at any time during the first eight months of 1943 will mean a higher tax deduction for almost every taxpayer.

The reason for this is that between now and next September, income tax deductions are reduced below the amount of individual liability by reason of the National Defense Tax credit which most wage-earners piled up in the first eight months of 1942.

Would the plan add to the bookkeeping problems of taxpayers?

This would depend almost entirely on how wide a section of the taxpaying public is included in the plan. If, for example, the plan is to include the sole proprietor, he would probably be ordered to prepare a full statement of earnings on a quarterly, or even monthly basis, instead of the common annual basis.

But if the plan is held to wage and salary earners, which would involve retention of an annual rebate for those whose earnings went up during the year, there would probably be no more bookkeeping involved than under the present Canadian plan.

Would the plan include corporations?

Here again the question is one of the detail of the specific plan selected for Canada. If sole proprietors are included it would appear wise to include the small corporation, since in many cases the differences between the two types of business organization are slight. And if small corporations are included it would be difficult to exclude large ones.

If the plan is so good, why wasn't it adopted at the last budget?

Whether or not the plan should be put into effect now, there were cogent reasons for delaying it last June. Most important was the deluge of detail which fell upon the shoulders of income tax offices and accountants across Canada when source-collections were introduced. Already carrying a considerably heavier burden, the additional work might well have swamped the tax facilities.

Note that the Ruml proposals for the U.S. embody both the source-collection argument and the pay-as-earn plan. The first already been achieved in Canada.

Does the "Ruml" plan presuppose a depression after the war?

Some observers say that it does. They point out that a big reason for adopting the plan is the argument that the incomes for many workers in the lower income group are likely to decline, especially in the postwar readjustment period. It is argued, therefore, that the "Ruml" plan takes a pessimistic view of the road ahead.

Proponents of the plan argue that, for at least some workers, the readjustment period is almost sure to present some difficulties; that the advantages of the plan exist depression or no depression and that commonsense suggests adoption of a plan which has important protective or insurance aspects.

PRESIDENT

E. D. Gooderham, who has been elected president of the Dominion of Canada General Insurance Co. H. W. Falconer was elected vice-president and managing director and L. M. Keachie, K.C., and H. R. Jackman, M.P., directors.

The Main Jobs For Parliament

Mayor of Guelph Co-operates in Survey of His City

Gathering still greater interest as time passes, The Financial Post's "Question of The Week," found a particularly wide response last week. Mayor R. Beverley Robson of Guelph, informed of this week's dual question, "What are the main jobs facing the Dominion Parliament at the coming session?" and "What could help achieve the desired results?" thought the question so important he made a survey of local opinion on the subject. Through the secretary of the Guelph Board of Trade, he has forwarded, for the benefit of Post readers, the opinions of prominent citizens of his city.

What are the main jobs facing the Dominion Parliament at the coming session? and

What would help to achieve the desired result?

Here is how a cross-section of Guelph citizens answered this question:

* * *

A Manager

Co-ordinate the war effort in the most economic and efficient distribution of manpower, civilian and military.

Put into immediate effect, a courageous policy that would deserve the whole-hearted support of Canadians.

* * *

Professional Man

As a means of supplying sufficient men for the Armed Forces, conscription for overseas service should be instituted immediately. As a means of supplying sufficient men for war industries, if more are needed, non-essential industries should be curtailed still further and the desirable help transferred to war industries. As an aid to agriculture, all bona fide farm help should be recruited from the above two services and all men having a lower medical category than that required by the Armed Forces, should be trained and employed in agricultural pursuits.

* * *

A Housewife

Main job should be to co-ordinate our war effort to help bring about an early conclusion of the war. Post-war plan should be secondary in importance to winning the war.

A reduction in war expenditure could and should be made.

Labor Executive

Government should institute a plan of real partnership between labor and agriculture. Great Britain has benefitted by such a plan. It would stimulate production now and provide machinery to handle postwar problems.

* * *

An Economist

A more definite manpower policy sufficiently flexible to allow rapid administrative adjustments to coincide with rapidly changing requirements.

Possibility of revising the Income Tax Act to bring it into line with changing conditions.

* * *

A Merchant

Immediate attention should be primarily directed toward increased farm production in foods, thus assuring ample food supply.

Increased exemptions of farmers' sons would help to procure relief to present farm conditions.

* * *

Housewife

Rationing of everything that is essential to our living as is being done in England.

* * *

A Merchant

Parliament should adopt the Ruml Plan.

Re-organization of Selective Service.

Enforcement of War Measures Act regarding strikes.

* * *

Banker

The Federal Government, because of failure to face facts and take wise, prompt and courageous action is steadily losing the confidence of the two most important groups of the population, whose hearty co-operation is of paramount importance in our war effort on the home front, namely, labor and agriculture. These two groups are not adequately represented in the Cabinet. This should be remedied without delay.

* * *

Business Man

A war cabinet composed of men with no other responsibility than the winning of the war and of the peace.

A manpower commission fully equipped with a clear plan for the best use of every employable male and female in Canada, and with complete control over the rationing of manpower to the armed forces, agriculture and the food industry, war materials, industries and the minimum essential production of materials and services for civilians in that order.

The restoration to parliament of its full rights and powers.

* * *

Manufacturer

Government to stop playing politics and make winning the war the main objects.

(a) Drastically cut ordinary expenditures and reduce staff.

(b) Seek co-operation of all parties.

(c) Clear out slackers and grafters.

The Shareholder

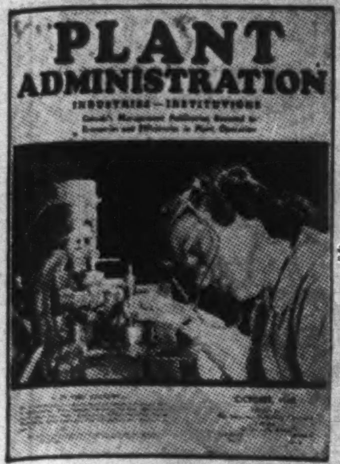
Most subscribers to the recent offering of Aluminum Co. of Canada preferred have had their orders drastically reduced in line with the heavy oversubscription to the issue. Details now available show that orders for up to 15 shares were allotted in full. All others were cut down, the basis of allotment being as follows:

Subscription Shares	Allotment Shares
1-15	1-15
16-25	15
26-40	20
41-50	25
51-60	30
61-100	35
101-200	40
201-300	50
301-400	60
401-500	75
501-700	100
701-1,000	115
1,001 and up	125

Certain features of the way in which this offering was handled by the large syndicate headed by A. E. Ames & Co. differed from former customs. One of these was the measures taken to prevent waste in distribution of the prospectus. This was only sent on request, in response to a preliminary letter announcing that the stock was to be offered and asking the prospective investor to complete an enclosed postcard if a prospectus was desired. This was in sharp contrast to the old custom of having every dealer participating in an offering circularize his entire list with frequent duplications with other dealers' lists and consequent waste.

The new preferred has been quoted at a premium over the original offering price of $100 a share, reflecting the heavy demand and wide interest.

Nova Scotia Light & Power Co. has called for redemption on March 31, next, $38,500 of its 4% first mortgage bonds. Payment will be made in Canadian funds at 103¾ and accrued interest.



BIG DEMAND FOR EXTRA COPIES

Such importance was attached to the editorial contents of the current issue of "Plant Administration" that the demand for extra copies has almost outrun the supply.

- One large Niagara Peninsula manufacturer phoned long distance to ask if he could buy 100 extra copies of the complete issue to place one in the hands of each key executive in the firm.
- A large Montreal textile manufacturer ordered 200 reprints of one of the articles dealing with personal hygiene of factory workers.
- Scores of other operating executives, purchasing agents, factory superintendents have written expressing views on subjects dealt with or asking further information on subjects or products mentioned in the issue.
- One of the largest electrical manufacturers posted one recent editorial on the plant bulletin board.

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FEATURES
in the February issue
THE CANADIAN CHARTERED ACCOUNTANT
Some reflections on the "Ruml" plan
Auditing the non-cash records
The significance of metropolitan economics in Canadian economic development
Business interruption insurance and the auditor
Refundable portion of excess profits tax
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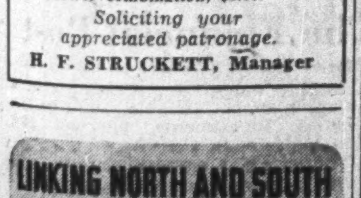
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1941	$1,812,824.02
1942	$2,057,257.15

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Estates, etc. Under Administration

1936	$4,553,146.40
1941	$9,833,555.52
1942	$11,383,228.85

Assets in the Hands of the Company

1936	$5,175,642.67
1941	$12,044,796.57
1942	$13,838,101.38

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The Editorial Page . .

State Control and Free Enterprise

There should be no conflict between state regulation and free enterprise, in the postwar world. Each, as J. A. McLeod, president of the Bank of Nova Scotia, points out, has a definite place to fill. Speaking at the annual meeting of the bank this week, Mr. McLeod stated:

"There need be no real contradiction between government policy and freedom of enterprise. Let us not fall into the error of regarding freedom of enterprise as the mere absence of government intervention. Let us recognize that private monopoly is not free enterprise and that state regulation in such cases is not an encroachment upon, but rather a protection of, individual rights. Let us also recognize that in the realm of tariff policy, immigration, and international agreement generally, the government is in a position to foster conditions in which free enterprise may thrive.

"But in saying this, I do not mean to imply that free enterprise has only a secondary role for the future. On the contrary, it has a major part to play in providing a large enough production of goods and services to make economic security a reality. Indeed, one of the principal functions of the government should be to encourage the return of conditions which will give freer play to individual initiative and progress."

This clear cut explanation is timely. Recently there has been far too much tendency to confuse the proper functions of industry and government. When kept in proper and normal balance we have democracy. When they swing too far in either direction we invite disaster.

Should Mobilize Our Emotions

It is sheer nonsense to consider Canada on an all-out war basis, so long as the general public continues unperturbed over dangers at our very door. For over a week we had 12,000 steel workers idle and yet after the first day or two, one hardly heard the strike mentioned in casual conversation in street cars, restaurants or living rooms.

This strike cost Canada 100,000 tons of steel, sufficient to build 75,000 field guns. Supposing General McNaughton led the Canadians into action and lost that much armament. There would have been consternation from one end of the country to the other. The loss would have gone down in our history books as a great defeat.

But the unaroused general public failed to see the connection between raw steel and guns just as it failed to see the connection between the recent Windsor strike which halted production of trucks, carriers, and armored cars and the fighting in Africa and Russia.

It is going to be both very expensive and very risky to leave this rousing of public opinion to a great and bloody battle in which Canadians will be in the van. Expensive in precious blood and equipment, risky because if things go wrong, there may be no second chance, unless we are wakened from our complacency at once. The trucks we might have had had there been no Windsor strike, and the guns and tanks there might have been had there been no steel strike, will not be there to fill the gaps.

So far in over three years of war we have concentrated almost entirely in mobilizing our physical strength. We have done far too little in mobilizing our moral strength.

The Minister of Justice set an excellent example to his colleagues in his Toronto speech the other day when he stressed the fact that until the submarine menace had been conquered, the battle of the Atlantic had not been won. Until Germany and Japan actually lay down their arms in unconditional surrender, we cannot afford the slightest complacency.

End of U. S. Isolation?

What the United States does about the postwar world is of vital importance to every citizen of this planet. Recent congressional elections returned a large bloc of Republicans and showed the very considerable political strength of prewar isolationists forces. If that result portends increasing strength for isolationist forces and another attempt by the United States to retire from the world and live unto itself, there may be more bad days ahead for us all.

But the very well informed United States News not only discounts dangers of American isolationism but forecasts a form of American participation in world affairs which, stated as bluntly and boldly as in the United States News, may be rather startling to non-Americans. Says the U. S. News: "Pressure is to grow for the following:

"1. For postwar air and naval bases in every part of the world to make the United States impregnable; to prevent other nations from again getting the jump on us.

"2. For hard-headed deals that will cause other people to work to help this country pay its war bills. If the U. S. pulls back into its shell with a war debt of $250 to $300 billions it can't help but face internal trouble.

"3. Some form of world organization in which the U. S. will have a dominant voice, in which this country can do something more than make cash contributions."

Such a statement of potential realpolitik is a worthwhile reminder, especially for Canadians.

Give Shareholders Facts

Canada Cement Company's annual statement is a courageous document. It is a fine example to heads of other companies. This report faces squarely and candidly the problems which corporations have to face these days.

The report of President J. D. Johnson does not mince words. He tells plainly that under existing tax legislation the company cannot earn more than a maximum of 5¼% on its 6½% preferred stock. No earnings will be available for the common shareholders for the duration. He went on to say that the earned surplus prior to 1939 was frozen by government regulations and shareholders could expect no dividends from that source. He ended up by stating that the company faces a decline of 30% to 40% in volume of business for 1943.

Some may say Mr. Johnson spoke too bluntly. The majority will approve. They know that the conditions faced by Canada Cement Company are common to many enterprises. It is time that the people who have invested their savings in companies know just what difficulties corporations are facing, and should get straight from the shoulder facts as to their position.

Plan Now for Postwar

When the war ends Canada will find itself with a huge new plant, huge new capacity and hundreds of thousands of workers released from munitions factories and the armed forces. The immediate problem will be employment and new markets. To solve that problem a great deal of preliminary work must be done now. If we wait until the fighting is over, we are risking unnecessary delay and confusion during the period of postwar readjustment.

The Canadian Manufacturers' Association has set an excellent example in preparing to meet this postwar problem. Since 1940 this organization has had various committees at work. Primarily they have concerned themselves with plans to provide employment immediately after the war with special attention paid to utilizing the new methods, new capacity and new materials developed during the war. Last week the C.M.A. decided that this work had developed to the point where a single co-ordinating committee be set up, under a chairman, to put this preliminary information into workable shape, where it could be made available for incorporation in any definite and general postwar plan.

This is worthwhile contribution on the part of the C.M.A. and private industry.

Canada Shows the Way

In helping to keep retailers in business despite the stress of wartime operations, Canada appears to be well ahead of the United States. The Office of Price Administration in Washington recently issued Supplementary Order No. 29 termed "The Retailers' Economy for Victory Programme," effect of which is to provide relief from price ceiling squeezes by permitting retailers to eliminate services without reducing prices.

Specific authorizations contained in this order include reduction in deliveries, approvals, returns, exchanges and refunds, gift wrapping, lay away and special promotional expenditures. It is noteworthy that in Canada these points already have been covered by orders of the W.P.T.B. The standards of retail practice now established by the OPA. roughly parallel those which have been enacted in this country.

The American order also includes certain recommended wartime management policies embodying economies in operation such as self service, reductions in operating costs, simplification, etc. A great deal of work along similar lines has been done in Canada for almost a year by the Division of Simplified Practice, and later the Industrial Division, of the W.P.T.B.

Cartoon by Grassick.

MR. KING—"ANY MORE GOOD IDEAS, JOHN?"

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

British Empire and the United States Trustees for Western Civilization

Frank Altschul, New York investment banker, is a partner of Lazard Freres, a director of the Council of Foreign Relations, a member of the Committee of National Morale and several other international societies. He is also the author of the book, "Let No Wave Engulf Us." The following are extracts of a letter Mr. Altschul wrote recently to the New York Times.

We have learned that an attack on the west is only incidentally directed against individual nations. It is, in essence, an attack upon that liberal western European culture of which we form an integral part. We see more clearly now than we did before that we are inevitably threatened whenever western Europe is attacked. Twice in a generation we have reluctantly gone to its defense. On both occasions we moved slowly to the brink of a war which no one wanted, because we knew instinctively that the security of our institutions, even of our frontiers, demanded armed intervention.

Within this western European culture there are many nations, many languages, many diverse and conflicting interests. But characteristic of it has been a constant striving for human liberty and a profound belief in the dignity of man. We are the joint heirs of that greatest of human traditions—the Greco-Roman civilization, long since revitalized by the life-giving touch of Christianity.

No preoccupation with the recent progress of alien cultures should be permitted to obscure this fact. We dare not again jeopardize our proud heritage. We can no longer afford the luxury of acute division within one great cultural family during intermittent periods of relative tranquillity. Whenever we lose sight of those imperious forces which unite us we inevitably invite attack. Unless we now stop this fratricidal folly, after some new onrush of the Caesars our western culture may well lie in ruins.

The only therapy lies in the closest, the most sympathetic understanding between Great Britain and ourselves. Events have placed upon our shoulders a grave joint responsibility. With most of the continent of Europe under the Nazi yoke, Great Britain and America have become for the moment co-trustees for the forces of western civilization. The British Commonwealth and friends in Latin America have accepted a share in this responsibility. We assume our allotted role in no spirit of pretentious Anglo-American superiority, but rather in the thought that in so far as we keep the torch of western culture alight we serve the interest of all mankind.

Conducting ourselves in the manner of trustees, we must think in terms calculated to safeguard the western world whose destiny we hold in trust. If this high purpose guides us we shall lay firm foundations for a new unity in the west; and we may then expect to be joined in a common enterprise by Scandinavia, the Low Countries and France and later by other nations of like intent.

We shall save the hard core of our western culture only on the basis of Anglo-American understanding and leadership. It is just on this account that 24 hours a day the Axis, over the short-wave and otherwise, sows seeds of distrust between the British and ourselves. At the moment the old bugaboo of British imperialism is being used to fan the flames of suspicion. In our own interest we must resist the impact of this attack.

Post-Scripts . . . .

Employer No. 1

Canada's biggest employer got busy last week about a long-overdue job of personnel management and reorganization. After watching a score of difficult and complex wartime problems pile up around its mounting employee payroll, it started in to do a special, unique personnel management job on its own staff—the Civil Service of Canada.

MR. COON

The plan centres round a new authority, created under the War Measures Act and called the Advisory Committee to the Treasury Board on Administration of Personnel in the Public Service. There are five members of the committee — all of them civil servants except the chairman. Reason for picking an "outsider" is clearly stated in the order setting up the new body. It says "that the advice of an official of long experience in organizations not connected with the Civil Service . . . would be invaluable to an enquiry of such broad application."

The "outsider" is Harry J. Coon, executive assistant to H. D. Burns, general manager of the Bank of Nova Scotia. He has had 36 years of banking experience; is now a senior executive of a nation-wide banking organization which boasts some 2,800 employees. Coon's new responsibilities, which will take him to Ottawa several days each week, now give him power to explore and recommend changes affecting the lives and livelihood of 120,000—almost double the pre-war Civil Service payroll of 65,000.

Specifically, the committee has very broad powers to investigate and make recommendations in all phases of personnel administration in every branch of the government service. Among problems it will investigate are all questions of wartime remuneration—overtime pay, extension of the cost-of-living bonus to those earning more than $2,100; lifting of the "ceiling" on $3,000 statutory increases; abolishing the quota system on permanent appointment, etc. Another major problem it has been asked to tackle is the future demobilization of wartime civil service staffs. Other members of the committee include: C. H. Bland, Chairman of the Civil Service Commission; B. J. Roberts, member, National Harbors Board; A. Thivierge, Civil Service Commissioner; W. C. Ronson, assistant Deputy Minister of Finance.

Harry Coon is a native of Belleville. His Scottish father came there as a United Empire Loyalist—a carpenter by trade. His mother (now over 85) still lives there. Coon specialized at mathematics at Queen's and after graduation in 1906, went for six months to the actuarial department of the Mutual Life of Canada in Waterloo. He says he always had a hankering for banking, so joined the staff of the old Metropolitan Bank in Toronto in February, 1907. After a year in one of the bank's Toronto branches he settled at head office; has been a "head office" man ever since.

The Metropolitan was absorbed by the Bank of Nova Scotia in November, 1914, and that time Coon was chief accountant. He has held almost every head office job in the bank roster and was for a great number of years in charge of the investment department of the Bank of Nova Scotia. Immediately prior to his present "jack-of-all-trades" job as executive assistant to the general manager, he was supervisor of branches. In both this war and the last, he has been actively associated with war loan financing as a representative of the Canadian banks.

Harry Coon looks the part of a top-flight Canadian banker. He has all the traits of conservative competence which have been associated with the management and operation of the Bank of Nova Scotia for generations. The grand old men of Hollis Street, Halifax, who founded that institution 110 years ago would be happy and satisfied to know that their institution had a man like Harry Coon at the top. He is the sort whose advice and judgment inspire respect and confidence.

Outside banking hours Harry Coon is a Mason, a curler and a fisherman—chiefly the latter. His passion is fishing for black bass. There is hardly a spot in Ontario where he hasn't tried his luck. Next summer when the problems of the Civil Service start weighing heavily on his shoulders, he will certainly be off to relax and ponder with rod in hand and (he hopes) a big one on the end of line.

* * *

Bracken's House Leader

Gordon Graydon, the new House Leader of the Pro-Con party, has never thought of himself as a parliamentary leader; has made little preparation for the weighty responsibility of sitting directly across from the nation's Prime Minister on the floor of the House. Its a fair bet that Graydon spent more time last week end preparing his leadership speech than he spent on all his other House speeches put together.

Intimates of this hearty, happy-go-lucky member for Peel know that he's much more at home with the "Hot Stove League" on Saturday or Sunday night in his home town of Brampton than he is in striped pants or a formal debate. He loves "rough and tumble" and freedom to do as he pleases, and find the formalities and niceties of parliamentary practices and procedure irksome.

Until last week, Graydon's idea of parliamentary bliss was probably more in the direction of the comfort and repose of the Senate than the exacting responsibility of a Front Bench berth as Leader of the Opposition.

But Gordon Graydon has unique qualifications for his new job. He was perhaps the first high ranking official of the Conservative party to seek the counsel and advice of John Bracken at a time when the idea of Bracken as Conservative leader was just the wildest kind of fantasy. The occasion was Mr. Graydon's official first nationwide tour of Canada on behalf of the party in June, 1941. When Graydon arrived in Winnipeg on his way West, the first thing he did was to go and call on John Bracken.

The visit left a very deep impression on the young Conservative party chairman. It established a bond of friendship and understanding between these two men which was undoubtedly linked with the fact that a year and a half later, Graydon led the delegation of party representatives who paved the way for Bracken's acceptance of the leadership.

Gordon Graydon is perhaps the best-known and best-liked "younger" Conservative in Canada today. There is no one in parliament with a happier faculty for making friends, and his official responsibilities as National Chairman and the undertaking of a national survey in 1941, gave him an opportunity to visit every unit and group in the entire federal Conservative framework. His long association with the junior Conservative movement in Ontario is also an important link with thousands of men and women who are today highly important to the party in its new associations.

Gordon Graydon hopes during his temporary leadership of the party, to overcome some of the weaknesses in organization and esprit de corps which have plagued the party at Ottawa since 1935. Men who have scarcely uttered a word in parliament for years will be encouraged to come to the front. There will be a much more concerted attempt to organize the party work and responsibility in the House and make individual members feel that they are not only members of a team but that their individual contribution to a successful opposition is of the utmost importance.

Graydon's gray hairs belie his 46 years. Most of his life has been spent between Peel County, Toronto and Ottawa. He was born on a farm in Chinguacousy Township, educated at Brampton and Victoria College, Toronto, later graduating in law from Osgoode Hall. He has been a staunch and active Conservative since he was named secretary of the Peel Conservative Association in 1929.

* * *

Quarter Century With H. & E.

G. L. Spry, advertising manager, the Huron & Erie Mortgage Corporation and the Canada Trust Co., is celebrating a quarter century of service with these institutions. His first position was with the Canadian Express Co. in 1902, then a couple of years as cashier for the Canada Life Co.'s western Ontario branch. In 1905, as accountant, he entered the service of McConnell & Fergusson, and was office manager for the major part of 12 years with that nationally known advertising agency. Incidentally, while with the agency (now McConnell, Eastman & Co.), Spry was closely identified with the Huron & Erie and Canada Trust accounts, and now and for a number of years past his old associate, T. H. Yull, with McConnell, Eastman, has been the account executive for these financial institutions.

MR. SPRY

Spry is Canadian director of the Financial Advertisers Association. Is a past vice-president of the Association of Canadian Advertisers, and has been a member of the London Advertising and Sales Club from the second year of its inception.

Of medium height, neither thin nor stout, Spry looks several years younger than his intimates know he must be. They attribute at least some of this youthfulness to a life that has been well balanced with moderate year round recreation, golf during the open months, alley bowling in the winter. Between seasons he plays bridge.

Since the outbreak of war Lorne Spry has served as co-chairman of public relations for London district in Government loan campaigns. He has three sons, all of whom are on active service.

* * *

Stop Me If . . .

Landlord (to prospective tenant)—"You know we keep it very quiet and orderly here. Do you have children?"

"No."

"A piano or a radio.

"No."

"Do you play any musical instrument? Do you have a dog, cat, or parrot?"

"No, but my fountain pen scratches a little sometimes."

Other People's Views . . . .

The Canadian Editorial of the Week

Smoke Screen at Ottawa?

Montreal Gazette

The Speech from the Throne was remarkable on two counts. It was remarkable for what it contained, and still more remarkable for what it omitted.

It contained, in brief, the Progressive Conservative Platform. All its social security proposals, made considerably more specific than the government is likely to make them at this session, are listed in the reconstruction section of the policy statement adopted at the Winnipeg convention, December 11. Its proposals to appoint "Parliamentary assistants" for the service ministers is only one word removed from a direct quotation of Premier John Bracken's broadcast to the nation December 21.

Pay-as-you-earn income taxation, better known as the Ruml Plan, was endorsed by Mr. Bracken in January in his farewell speech to the Manitoba Legislature and in news interviews at subsequent dates. No Government supporter had made any prior reference to this scheme, and some had indicated reluctance—reliable reports say a similar proposal was rejected when the last Budget was framed.

So much for what the Speech contains. What does it omit? The two most important things for Canada of the next few months, manpower and material supplies. Our manpower crisis has become acute, yet the Government's own figures reveal the complete breakdown of our mobilization machinery. Supplies of food and civilian commodities are short and are becoming shorter. No forecast is given of anything to be done about it but the time when do-nothing was a feasible policy has run out.

The Mail-box . .

War Bond Sales

Editor, The Financial Post:

I was interested in an article by a staff writer in your latest issue of The Financial Post entitled, "New Task for War Finance" which had to do with high percentage of redemptions obtaining on victory bond and war saving purchases.

While it is indubitably true, as your article states, that "The problem lies as close to the door of industry as it does to the National War Finance Committee" I think that the real responsibility for most of the redemption extant is in the "forcing" of employees by employers to purchase victory bonds and war savings certificates.

I know a great many cases in which, as soon as these purchases are completed on a time basis, the bonds are sold.

Since it is admitted that most of these redemptions take place within the wage deduction plan groups, and since, too, it can be believed that purely voluntary purchases made for patriotic or investment reasons, will stick except in cases of dire necessity. Surely we must face the fact that "forcing people to financially support the war effort under the guise of "voluntary" subscription, is not only wrong, but hypocritical.

Toronto. LOU KEATS,

* * *

Washing Machine Tariff

Editor, The Financial Post:

I noticed a pathetic plea for higher tariffs by an unnamed manufacturer of washing machines. The old story of wanting "protection" from American goods in this line because designs had been "frozen" in Canada earlier than in the U. S.

It is very plain that the real trouble is that there is less initiative among Canadian washing machine men than among Americans. Can anyone imagine an American manufacturer sitting down and wailing under like circumstances. Not much; he would be busy hatching up ideas for new and improved models to have ready to spring on the public as soon as controls are lifted.

The trouble between American and Canadian manufacturers has never been so much a matter of tariffs as that the Americans are nearly always a jump ahead of the Canadians in energy, initiative, and the quickness to see a chance and act upon it.

Toronto. OBSERVER,

* * *

Selling Victory Bonds

Editor, The Financial Post:

As a Victory Bond salesman I protest against this howl about people selling their bonds.

We in our sales talk have always been told to stress the fact that you could always get your money back at any time. I have always hedged on this to the extent that I have said the bonds were always within a point of their purchase price.

The people have bought, often more than they could afford on this assurance. We wish our word to be kept good and do not wish the bonds to be so sacred that they are as useless as gold.

The government does not protect the market except when new issues are coming out so the selling simply means distribution, a change into permanent ownership.

We have hard enough times now in selling our quotas. It would be impossible except for a free market and quite a bit of the selling is rearranging denominations and maturities.

C. B. CAMERON, M.D.

Nova Scotia.

As Others See Us . . .

Immigration

Swift Current Sun

A very sensible view of postwar immigration is taken in an editorial by The Financial Post, holding that, while unrestricted immigration of the pioneer days should be eschewed and the door not opened wide until our returned soldiers have been demobilized and re-established, there will be an unprecedented opportunity of accepting from the British Isles and western Europe, hundreds of thousands of skilled artisans.

The Sun has expressed the view before that immigration will be a potent factor in our nation-wide rehabilitation, but it must be selective in type. Depressions are not caused by population, nor is unemployment. The causes are underlying and should be capable of remedial measures. We found this out when our country went from a peace to wartime economy.

As The Post points out, no one ever complains that his own city is growing; that the results of that growth are bad. Growth of a city means more business, more jobs. On a national scale, it amounts to the same thing.

* * *

Public Indifference

Pembroke Bulletin

Commenting on the fact that in the recent municipal elections in Toronto only something like 20% of the voters took the trouble to go to the polls, The Financial Post, Toronto, says this record is all too typical of all larger centres, and it might have included many smaller places, and that each year shows a continued decrease in public interest in the affairs and government of the community.

Pembroke had an example of this dangerous apathy towards municipal affairs, when less than 40 people attended the annual nomination meeting and less than one third of the voters turned out.

Pembroke has a good council for 1943, but those who neglected their rights and responsibilities of citizenship can take no credit for that fortunate state of affairs.

* * *

Sayings of the Week

"We'll get through the winter provided people will just keep their shirts on—and wear woollen underwear."—*William C. McTarnahan, president of the Fuel Oil Association of New York.*"

* * *

"There could be no greater mistake in the world than to believe that we have advanced any further than this, that the Allied and the Axis powers are a little more evenly matched than they were at any time heretofore."—*Prime Minister King.*

* * *

The country is 'fed up' with political, labor and industrial 'face saving.' It demands action, and action is possible only to the extent to which we solve at once the calamitous tragedy of underproduction in steel, coal, timber and such farm products as butter and beef."—*Rev. J. R. Mutchmor, Toronto.*

* * *

"We are going to make the kind of peace which our allies will let us make, and join with us in making. Of course there is a condition that would let us have the whole voice in dictating the peace. But that condition requires that after we have whipped Italy, Hitler and the Japs, we turn loose and beat the life out of Russia, China, Britain—the whole world."—*Sen. Gerald P. Nye, addressing English-speaking union.*

The Financial Post

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A weekly newspaper, presenting in a popular manner reliable information respecting investments, business and national affairs in Canada.

DOUGLAS M. GOWDY, Manager
RONALD A. McEACHERN, Editor

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Canada is Chief Pulp Source

With U. S. We Supply Requirements of the United Nations

From Our Own Correspondent

MONTREAL. — Pulp and paper's place in the wartime economy was stressed by E. Howard Smith, president, in his address at the annual meeting of the Canadian Pulp and Paper Association. Mr. Smith pointed out that Canada and the United States are today the sole remaining sources of supply of pulp for the United Nations.

Look to Canada

The United States is largely occupied in supplying her own needs of pulp, paper, and paper products, and relies on Canada for about 75% of her consumption of newsprint and for about one million tons of various kinds of pulp, including substantial quantities of dissolving pulp.

The United Kingdom is dependent on Canada for the major part of her newsprint requirements and substantial quantities of Canadian newsprint are needed by other parts of the Empire and by other United Nations countries, including the countries in South America.

Of all pulp produced in Canada for sale, Mr. Smith reported about 90% is exported. In addition to the substantial tonnage shipped to the United States, and looking after domestic requirements, Canada's pulp mills supplied practically all of the United Kingdom's requirements of nitrating pulp for the manufacture of explosives.

Canadian paper and paperboard made from Canadian pulp, Canadian waste paper and Canadian rags are used for such war essentials as shell containers, packages for the distribution of the parts of war equipment, packages for food and clothing for the armed forces, charts, maps, blueprints and instruction books, as well as for the forms and correspondence necessary to the operation of the armed services.

Market Outside Europe

Exports which constitute about 80% of the value of production, the president went on to say, are now shipped exclusively to the United Nations countries. Since all these export shipments must first be licensed by the countries receiving them, he added, it follows that they must constitute essential war needs of those countries, otherwise the necessary import licenses would not be issued.

Pointing out that the pulp and paper industry, in common with other Canadian industries, is now facing many problems, Mr. Smith said there is a shortage of electric power, potential shortages of manpower, and of wood, as well as many other raw materials and supplies. "There is the possibility that power operations will be further curtailed by Government action."

More Chemical Pulp

Total production of chemical pulp for sale by Canadian mills during 1942, as distinct from consumption of integrated pulp and paper operations, was 60% more than in 1937, the peak pre-war year, and 18% more than the average of the war years 1940 and 1941.

In his report to the Association, F. G. Robinson, chairman of the pulp section, said that at the onset of war the Canadian chemical pulp industry recognized that Canada and the United States might become the sole source of chemical pulp supply to the United Nations. To that end it set itself to meet the situation, not by building new plants but by increasing output of existing plants by better balancing of operations and other improvements toward efficiency.

Doing Big Job

At present all pulp requirements of the Canadian Government for nitration into explosives are met with chemical pulp made in Canada, as are also practically all British Government requirements for this purpose.

All United Kingdom requirements of dissolving pulp for making rayon yarn, staple fibre, plastics, cellophane and allied products of essential war needs, are supplied by Canada. Total shipments of chemical pulp to the United Kingdom are currently at about four times the pre-war rate.

Help U. S. Operators

To relieve U. S. pulp producers as to shipments under lease-lend to United Kingdom, U. K. Ministry of Supply reduced their pulp requirements from the United States for 1943 by about 50% as compared with 1942, relying on Canada to make up whatever shortage in United Kingdom supplies might develop.

Last year the United Kingdom consumption of new pulp, as distinct from consumption of reclaimed papers, stood at 25% of the pre-war rating. For 1943 consumption has been squeezed down to about 21% of pre-war rates. Canada currently supplies 70% of the total United Kingdom pulp consumption.

"Good Neighbor" Policy

Shipments of chemical pulp have been maintained also to Latin American countries to co-operate, by special request of the Canadian and United States Governments, in the "good neighbor" policy to Latin-American countries sponsored by both countries.

By far the largest part of Canada's chemical pulp shipments go to the United States, Mr. Robinson reported. Before the war, the U. S. imported annually from Europe about 1½ million tons of pulp and a smaller quantity from Canada. Since the onset of war, shipments of chemical pulp from Canada to the U.S. have been increased and are running at about 70% more than the peak pre-war year of 1937.

Demand of Groundwood

Groundwood pulp operations at this time are on a somewhat smaller scale than in 1941, the Association was informed.

Total production of groundwood for 1942 was approximately 5% below 1941.

Groundwood used in the producing mills showed a small reduction as compared with 1941.

Shipments to the United States increased about 10% over the preceding year and shipments for export about 20% in the same period.

Stocks on hand are reported high, but not excessive.

International Paper Co. has drawn for redemption $443,500 principal amount of its 6% series A refunding mortgage bonds. Payments will be made in U. S. or Canadian funds at the option of the holder, the bonds being redeemed at 105 and accrued interest. Holders of the bonds may obtain immediate payment of the full redemption price, including accrued interest to March 1, by presenting their bonds for payment.

The Week in Business

Department store sales in Canada last December were only 1% higher than in December, 1941, according to Bureau of Statistics figures. This surprisingly small December gain compares with much larger ones for earlier months of 1942, with November showing a rise of 22%. Sales of Ottawa department stores were out of line with the rest of the country, being 20% higher in December than the same month of 1941.

Actually, three of the five economic areas reported gains ranging from 14% for British Columbia to 5% for the Prairie Provinces and Quebec. Ontario and the Maritimes reported identical declines of 6%.

Bank debits in December showed a decline after seasonal adjustment from the November level. The latter month was influenced by the unusually high level of payments resulting from subscriptions to the Third Victory Loan. At the same time the figures for December, 1942, indicate a gain of 13.8% over December, 1941.

Money supply continues to rise. Circulating media in the hands of the public at the end of 1942 was over $110 million greater than a year earlier. All classes of deposits were up $638.8 millions, bringing total money supply to $4,347 millions from $4,280 millions in November and $3,598 millions a year ago.

Pig iron production in December last year was down about 1,500 tons from the corresponding month of 1941 but last year's total is up 450,000 tons, or 29.3%.

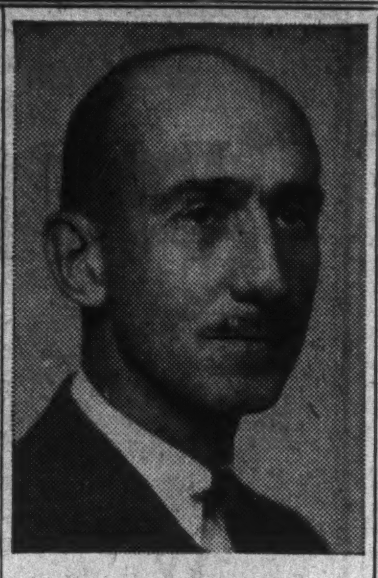
Steel production in December held well above the same month of 1941 and for the whole year a gain of 420,000 tons, or 15.5%, was shown. January figures will be influenced by the recent strike.

Life insurance sales in December at $45.6 millions were down about $1.6 millions from the corresponding month of 1941. For all of last year, however, life insurance sales gained $106 millions, or 24.7%.

Cigarette consumption in December was far above the level of the last month of 1941 and for the whole year a gain of 19.3% is reported.

	Jan.	Dec.	Nov.	Oct.	Year Ago
Physical vol. of business, D.B.S.°	....	....	207.8	207.2	183.7
Dom. war expend. (million $)	....	218.9	209.6	175.9	124.0
Dom. total revenue (do.)	....	175.0	180.7	203.9	111.6
Dom. total expend. (do.)	....	360.4	335.5	357.4	166.7
Retail sales index no.	....	....	162.1	152.1	138.2
•Dept. store sales index no.	....	146.4	168.5	152.9	145.8
Wholesale sales index no.	....	....	151.8	170.7	147.4
Country store (% change pr. yr.)	....	....	+15.0	+16.7	+5.0
•Divd. payment index‡	122.5	122.7	123.1	123.3	121.3
Bank deposits (1926=100)	....	189.0	185.1	179.1	154.7
•Cash and cheque pay. index	....	166.0	197.8	161.3	143.3
•Bank debits (1935-39=100)	....	142.1	164.0	135.7	124.9
•Money supply (c)	....	4,347	4,280	4,120	3,598
NEWSPRINT % OF CAPACITY—					
Production ratio	....	66.0	70.6	70.6	82.4
Shipment ratio	....	65.8	71.7	76.9	87.4
RAILWAY FREIGHT LOADINGS—					
•Tons	....	173.4	137.2	127.9	170.8
•Cars	....	145.2	126.5	124.6	138.8
COST OF LIVING—					
D.B.S.	....	118.8	118.6	117.8	115.8
EMPLOYMENT INDEX No. D.B.S.—					
All industries	....	....	183.3	181.3	167.6
Manufacturing	....	....	218.6	218.3	187.5
Payrolls (June 1/41=100) (b)	....	....	140.8	138.0	117.3
Payroll index (a) (1937=100)	....	....	214	223	186
			Jan. 1 to date		%
RAILWAYS—	1942	1941	1942	1941	Change
•Carloadings (week Jan. 23)	50,168	64,992	215,441	234,235	—8.0
C.P.R. gross (week Jan. 21) $	4,253,000	4,158,000	12,909,000	11,533,000	+11.9
C.N.R. gross rev. ... (Nov.) $	31,866,000	27,292,966	338,695,000	276,365,487	+22.6
C.N.R. net rev. ... (Nov.) $	6,602,144	5,719,863	78,266,506	60,347,891	+29.6
•C.P.R. gross rev. .. (Dec.) $	24,523,338	21,204,215	256,864,091	221,446,053	+16.0
•C.P.R. net rev. .... (Dec.) $	5,194,311	5,090,750	48,187,689	45,957,536	+4.8
IRON AND STEEL—(December)—					
•Pig iron production (tons)	164,382	166,182	1,975,015	1,528,053	+29.3
•Steel production ... (tons)	269,834	244,844	3,121,361	2,701,313	+15.5
CONSTRUCTION—					
•Contracts awarded (Jan.) $	11,984,300	12,880,900	....	....	—7.0
Building permits .. (Dec.) $	6,358,265	8,391,308	103,820,302	135,301,319	—23.3
•Cement prod., bbls. (Nov.)	622,919	663,332	8,813,553	7,987,357	+10.3
AGRICULTURE—					
Flour prod., bbls. .. (Nov.)	1,973,401	1,664,803	18,697,561	18,894,266	—1.0
Cattle sales▲ ...... (Dec.)	109,830	116,022	1,173,714	1,239,526	—5.3
Hog sales▲ ...... (Dec.)	722,284	796,177	6,228,163	6,216,207	+0.2
SEA FISHERIES—‡					
•Catch, cwts. ...... (Dec.)	692,700	387,400	10,740,000	10,871,000	—1.2
•Landed value ...... (Dec.)	1,253,700	957,400	31,513,000	25,499,200	+23.5
NEWSPRINT—					
Production, tons ... (Dec.)	244,183	300,823	3,177,094	3,425,865	—7.3
Exports, tons ...... (Dec.)	226,772	303,924	3,006,144	3,257,899	—7.7
MINING AND OILS—					
Coal prod., tons ... (Nov.)	1,618,113	1,828,937	17,103,950	16,411,958	+4.2
Gold rec., fine oz. .. (Dec.)	349,459	401,716	4,594,487	5,081,480	—9.5
Petroleum prod., brl. (Nov.)	838,350	855,993	9,504,291	9,226,961	+3.0
ELECTRIC POWER OUTPUT—(November)—					
Total monthly, 1,000 kw.h.'s	3,180,153	3,185,982	33,860,710	30,224,560	+12.0
OTHER INDUSTRIAL FACTORS—					
Shoes, prod., pr. .. (Nov.)	2,884,992	2,935,564	30,549,537	29,910,628	+2.1
Cotton consump., lb. (Dec.)	15,797,619	16,150,612	195,701,570	198,389,402	—1.3
•Cigarette cons., No.† (Dec.)	961,860	720,022	10,239,979	8,581,739	+19.3
FINANCE—					
•Bank debits† .... (Dec.) $	4,194,613	3,686,546	45,526,254	39,242,957	+16.0
Bond sales† ...... (Dec.) $	92,552	92,473	4,290,136	2,360,181	+81.7
•Life insurance sales (Dec.) $	45,576,000	47,172,000	534,822,000	428,915,000	+24.7

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. ▲Total at yards and plants. †000 omitted. •Millions of dollars. ‡Supplied by Nesbitt, Thomson & Co. °1935-39=100. (c) 000,000's omitted. (a) Compiled by Canadian Bank of Commerce. (b) All industries.



HEADS ASSOCIATION

E. Howard Smith, who has been elected president of the Canadian Pulp and Paper Association for 1942-43. Mr. Smith has held the post of president for the past four months, when R. L. Weldon resigned to become Newsprint Administrator.

Pulp Paper Trade Elects Officers

E. Howard Smith Re-elected President of C. P. & P. Association

E. Howard Smith, who has occupied the presidency of the Canadian Pulp and Paper Association for the past four months, after R. L. Weldon was named Newsprint Administrator, was re-elected president of the Association at the annual meeting.

Three vice-presidents were named: F. G. Robinson, Canadian International Paper Co.; C. R. Whitehead, Consolidated Paper Corp., and R. L. Weldon, Bathurst Power & Paper Co.

Members of the executive committee follow:

G. W. BROWN, Gair Co. of Canada Ltd., Toronto;
WENTWORTH BROWN, Brown Co., La Tuque, P.Q.;
A. CRABTREE, Fraser Cos., Edmundston;
J. G. FLECK, J. R. Booth Ltd., Ottawa;
L. KILLAM, B. C. Pulp & Paper Co., Vancouver;
E. M. LITTLE, Anglo-Canadian Pulp & Paper Mills, Quebec City.

Abnormal Weather Hits Paper Mills

From Our Own Correspondent

MONTREAL.—Due to abnormal weather conditions which have seriously interfered with transportation, two of Canada's largest newsprint mills have had to close down. The tonnage has been transferred to other mills and other emergency methods adopted to assure solution of the supply problem without any serious loss of production.

The situation is only temporary, but during the emergency American publishers who have adequate stocks have been asked to make known their situation to their source of supply, so as to help maintain a reasonable pool out of which to care for orders of newsprint from others whose normal source of supply has been disturbed by storms and other conditions.

Victoriaville Furniture Ltd. has issued a notice through General Trust of Canada that all its outstanding first mortgage 6% bonds, dated April 1, 1936, will be redeemed on April 1 next at 102 plus accrued interest. Approximately $132,000 of these bonds are outstanding.

Guarantee Co. of North America has appointed William S. Coulter as secretary and treasurer of the company, in succession to the late William S. Chadwick.

The Family Herald and Weekly Star, with coast-to-coast coverage is the quickest and most direct route to the heart of Canada's vast rural market . . .

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Write the Family Herald and Weekly Star, 245 St. James St., Montreal, or 390 Bay St., Toronto, for information on the Farm Market.

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Regional Indexes Hit Record Highs in 1942

Last year saw regional indexes compiled for The Financial Post average higher than in any year since 1925, first year of compilation of this data.

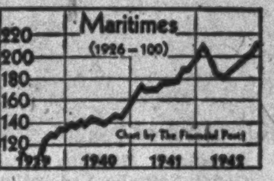
December resulted in further gains in Quebec, the Prairie provinces and Ontario. Building permits are up for each area except Ontario and the Prairie provinces over the preceding month. The adjusted index of employment showed gains from Ontario westward while Quebec's three major industries were all higher. Meat-packing in Ontario was more active but recession was shown in steel and automobile production. General decline in bank debits was occasioned by high payments on the Third Victory Loan in November.

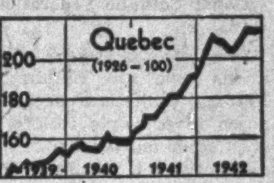
Last year's gains were particularly marked in Quebec, Ontario and British Columbia. In the Maritimes and Prairies intermediate peaks had been established in 1941 and some recession was shown early in the year 1942. Recently the index for the Maritimes has moved into new high levels while heavy grain production in the Prairies was the main factor in raising the regional index in that area.

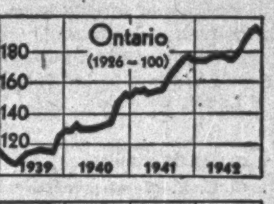
Trend of Business in Economic Areas

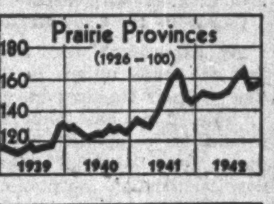
	Dec. 1942	% Change Dec. 1941	Nov. 1942
Maritimes:			
Constr. contr. ...... $	752,000	—73.1	2,687,000
Bldg. permits ...... $	195,000	—62.1	127,000
Life ins. sales .. $000	3,457	—1.4	3,993
Bank debits . $000,000	90.8	+0.9	107.8
Elec. pwr. . kw.h.000	82,000	—17.2	95,000
Employment*	189.0	+7.4	185.2
Index	205.8	+0.9	211.1
Quebec:			
Constr. contr. ...... $	2,938,000	—54.2	6,243,000
Bldg. permits ...... $	2,426,000	+1.9	1,751,000
Life ins. sales ... $000	11,758	—1.5	14,807
Bank debits . $000,000	1,153	+6.1	1,413
Elec. pwr. . kw.h.000	1,785,000	+2.8	1,728,000
Employment*	198.1	+11.9	194.5
Newsprint prod., tons	244,183	—18.8	251,147
Cotton consump., lb.	15,797,619	—2.2	16,388,439
Index	215.5	+12.3	215.0
Ontario:			
Constr. contr. ...... $	3,937,000	—30.2	7,789,000
Bldg. permits ...... $	2,352,000	—37.6	4,592,000
Life ins. sales ... $000	20,346	—3.9	21,501
Bank debits . $000,000	2,042	+21.4	2,399
Elec. pwr. . kw.h.000	879,000	—3.4	866
Employment*	185.2	+7.1	184.7
Livestock slaughter.*.	231.5	—0.9	222.0
Steel prod., net tons	269,834	+10.2	270,812
Index	190.6	+8.0	196.4
Prairie Provinces:			
Constr. contr. ...... $	1,260,000	—38.3	1,574,000
Bldg. permits ...... $	513,000	—30.4	817,000
Life ins. sales ... $000	6,176	—1.7	6,981
Bank debits . $000,000	654	+5.5	763
Elec. pwr. . kw.h.000	274,000	+9.2	264,000
Employment*	140.2	+3.0	139.0
Wheat receipts .. bu.	26,441,000	+2.0	29,973,000
Wheat prices**	90/3	+21.5	90/4
Index	159.8	+7.0	157.6
British Columbia:			
Constr. contr. ...... $	721,000	—67.6	3,793,000
Bldg. permits ...... $	871,000	—4.6	542,000
Life ins. sales ... $000	3,233	—11.3	4,051
Bank debits . $000,000	254.4	+22.2	283.5
Elec. pwr. . kw.h.000	228,000	+1.3	226,000
Employment*	187.2	+25.3	183.6
Index	188.3	+19.9	187.0

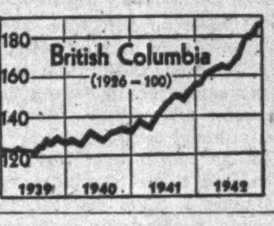
*1926=100. Employment statistics apply to preceding months.
**Cents and eighths of a cent per bushel.











More Bits & Pieces By Paper Trade

From Our Own Correspondent

MONTREAL. — Wartime Machine Shop Board of the Canadian pulp and paper industry reports value of work in progress approximately $2.8 millions, while the value of the work done under the "bits and pieces" programme during 1942 totalled $2.4 millions.

Provided the necessary raw materials can be obtained, it is expected that the value of deliveries during the current year will be materially increased.

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Nova Scotia Coal Miners Seek Wage Levelling

Approximately 3,500 employees of Nova Scotia Steel & Coal Co. and Acadia Coal Co., as well as a smaller number of Dominion Coal Co. employees, are involved in the current negotiations over the reclassification of mine mechanics and shop employees.

For employees of Nova Scotia Steel & Coal and Acadia Coal, levelling up of basic wage rates to the $3.90 paid by Dominion Coal, is sought.

Conferences have been initiated between representatives of the United Mine Workers District 26, and officials of the coal mines.

The company officials have suggested that the Union executive prepare a statement setting forth their request and showing classifications which they desire to have adjusted.

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DANCING IN THE DARK!

Foresight — that's what hoarders have. Betcha they can't catch a really smart hoarder without more than enough of everything he'll ever need. Not him.

It's too bad, of course, if the food in the hoarder's bulging larder means that someone is doing without — that the groceries he may not live to eat, or the clothes he may never wear are helping to start black markets where honest people wouldn't tread: where the unscrupulous who can pay the price may pander to their vanity and their bellies.

While the hoarder dances in the dark of greed others may be groping in the dark of cold and hunger. It's a nice picture. No?

HULL STEEL FOUNDRIES LIMITED . . . HULL, P.Q.

In Your Opinion—

Should Unions Show Accounts?

The Question: — Should Trade Unions be Required to Make Public Annual Statements, Showing Their Financial and Membership Position?

Percy R. Bengough

Acting president, Trades and Labor Congress of Canada, Ottawa.

Many trade unions submit annual statements showing financial and membership records and more often if desired by their membership. Why single out trade unions for public information? Why not all organizations and associations and start with Board of Trade, Chamber of Commerce and, in particular, with political parties? Such information on the latter would be far more informative and instructive to the public. Our objections arise only from the fact that people outside of unions desire to single trade unions out for special treatment. Why?

* * *

W. D. Black

President, Otis Fensom Co., Hamilton.

I believe that any trade union claiming to represent a majority of employees of any corporation and seeking to secure recognition as their bargaining agent should be required to substantiate their claims with a chartered accountant's statement indicating their membership in good standing. Trade unions should be in all respects as fully answerable at law as any incorporated body. These are simple, commonsense business requirements which could be objectionable only where misstatements and a creation of false impression are regarded as preferable to the facts, or where irresponsibility of statement and action is more highly valued than legal status in the community.

* * *

Alfred Charpentier

President, Catholic Workers Confederation of Canada, Montreal.

My answer to your question is "yes" as general principle. Such a regulation should be in form of provincial legislation, as it would reveal really serious and representative unions and would free this country from "mushroom" unions and groups serving only the political purposes of leaders nourishing unrevealed ambitions. This would also eliminate the unpleasant practice of voting on union representation in industrial plants. Such a law should also oblige employers to negotiate with a recognized responsible union.

* * *

R. C. Craig

Secretary, Toronto Municipal Employees Union.

Financial and membership figures of trade unions is private business and should be revealed to membership only. If such figures are to be made public then same should apply to all fraternal organizations and other such groups who are at present enjoying what is their right, the privacy of their own affairs. If the interest of the citizens at large is at stake, would suggest that the first organizations required to publicize membership and financial figures would be the political parties. The true source of their finances would be of great interest. The idea of publishing statements seems closely related to incorporation of labor unions which, of course, is designed to eliminate them.

Lewis Duncan

Member, Board of Control, Toronto.

Speaking generally the business of an association is the business of its members and not of the public. I see no overriding public reason at the present time why the members of a trade union should be compelled to make their affairs or any part of them public.

* * *

Osias Filion

President, Building Trades National Catholic Federation, Montreal.

Trade unions are private organizations and the Building Trades National Catholic Federation is opposed in principle to any interference from outside in their internal administration just as it is opposed to the idea of forcing them to make public annual financial statements. As to membership, figures are issued yearly in our case by the Department of Labor, Ottawa.

* * *

Clarence Gillis

C. C. F. Member of the House of Commons for Cape Breton South.

My experience over 30 years is that the trade unions in the handling of their finances have nothing to hide. I do not think that they should be compelled to broadcast their financial and membership position through the public press.

I have no objection where legislation exists making collective bargaining compulsory on the part of the employer, to having the unions render a financial statement to the provincial treasurer as is now done in the Province of Nova Scotia. If this is made compulsory for the unions I think that it should be made nation-wide and applied to all semi-public bodies such as fraternal societies and political parties who handle funds belonging to sections of the public.

* * *

W. E. Mason

Publisher, Sudbury Daily Star, Sudbury, Ont.

A law requiring trade unions to make public financial statements and membership position, would be a step in the right direction and would end a lot of bluffing and plain, low-down lying about union membership. Something of this nature will be imperative if and when collective bargaining becomes law.

However, I think there is something much more important than this required, if we are to have stability in labor relations. Trades unions must become legal entities and subject to the corporate laws of this country. A labor contract should be a contract both in fact and in law. There should be provision for liquidated damages for loss arising from breach of contract. There should be security in tangible form such as an indemnity bond or other visible assets for breach of agreement. Then we would have none of these loosely knit labor agreements that are now not worth the paper they are written on. The administration of this security should be on the same basis as our government demands against banks, insurance companies, etc., as protection against fraud, default, etc.

International unions must be brought within the process of Canadian law, the same as any other institution doing business in Canada. This will place responsibility for all acts on a proper basis and breaches of the law will hit where it hurts most—the pocketbook.

It is not necessary for me to point out that all business in Canada is subject to the process of Canadian law excepting labor unions, which are fast becoming the biggest business in the country. The right to enter into agreements should undoubtedly require a statutory responsibility to live up to that agreement or else.

* * *

A. R. Mosher

President, Canadian Congress of Labor, Ottawa.

Financial affairs and membership figures of trade unions concern only the members of such unions. While many unions publish annual statements or submit them voluntarily to governments, they should not be obliged to do so and I am unable to see that any public benefit would result therefrom. Unions are maintained by dues paid by members—not by contributions from the public or the state, and neither has any right to such information any more than to financial statements of churches or other institutions not directly dependent upon their support.

* * *

Rev. J. R. Mutchmor

Secretary, Board of Social Services, United Church of Canada, Toronto.

As voluntary associations, trade unions are in the same category as church organizations, fraternal societies, service clubs, national, professional, trade, cultural and other voluntary bodies. To compel one by law would be to compel all to publish annual financial statements, surely an impossible task now.

Under present bureaucratic controls, labor lacks partnership privileges. It is to be noted that one province has padlock law and the Federal Government failed even to debate the recommendations it had sown with a committee regarding the lifting of the ban to certain voluntary organizations. Labor is rightly suspicious.

Answering second part of the question, union membership is now currently reported to the Federal Department of Labor.

* * *

W. G. Pickell

Editor and publisher, Paris Star, Paris, Ont.

Trade unions, having become very powerful and very arbitrary, it would be in the public interest to have them reveal their financial standing and membership in line with other organizations. While labor should always insist on its rights, the public would be in a better position to judge the merits of disputes if they had more information such as the above would reveal.

* * *

Russell Teeple

Secretary, St. Catharines Trades and Labor Council.

The question of your telegram will be brought before the unions of this city at their next regular meeting.

* * *

Margaret Wilson

Evening Guide, Port Hope, Ont.

Considering the effect that trade union activities have on labor relations, private lives and public welfare, to say nothing of Canada's war effort, it is decidedly in the public interest that trade unions should be required to make an annual report showing financial and membership status. While labor has every right to just representation, to protection against exploitation, and to a fair day's pay for a fair day's work, when it comes to trade unions holding sufficient power to affect the war effort of a nation, surely such an organization should come immediately under public surveillance.

PROBLEMS OF PRICE CONTROL

RECORD OF PRICE CONTROL GOOD BUT DIFFICULTIES ARE INCREASING

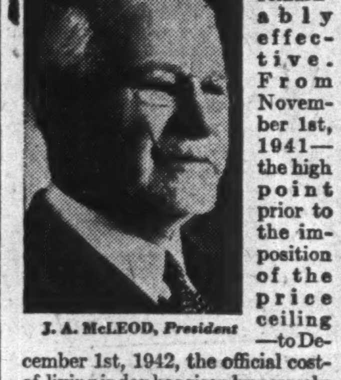
Says **J. A. McLeod**

President—**THE BANK OF NOVA SCOTIA AT 111th ANNUAL MEETING**

In his annual address on February 3rd, in which he reviewed the Canadian business picture under wartime conditions, Mr. McLeod spoke in part as follows:

Price Controls Effective

"Under the conditions of growing shortage during the past year, we have been fortunate to escape with so small an increase in the cost of living. By any standard of comparison, Canada's price control policy has been remarkably effective. From November 1st, 1941—the high point prior to the imposition of the price ceiling—to December 1st, 1942, the official cost-of-living index has risen by scarcely more than 2%. In the United States, the corresponding increase has been nearly 10%. And if we go back to the last war, we find that over the corresponding period the Canadian cost-of-living index rose by no less than 20%.



J. A. McLEOD, *President*

"Good though the record is, it provides no grounds for complacency. The pressure on the price ceiling has been very considerable and one of the clearest indications of this is the more extensive resort to subsidy payments. To a substantial degree, subsidies have reflected the necessity of absorbing increases in the cost of imports, resulting from higher shipping charges and price advances in foreign markets. In addition, however, subsidies have been granted on certain domestic products, as in the case of butter, with a view to maintaining or increasing output without raising the cost to the consumer. More recently, a subsidy method, new to Canada but practised for some time in Britain, was adopted to keep down the cost of living. It consisted of subsidizing a number of important items in the national diet—milk, tea, coffee and oranges—and in this way offsetting price increases in other articles which had either occurred or were threatening. These policies involve substantial costs to the public treasury and cannot be regarded with equanimity. But they are a lesser evil than the alternative of allowing further increases in the cost of living, with all its inequities and cumulative influence on prices and costs generally."

Upward Pressures on Prices

"The future promises no easing in the problems of price control. Generally, the upward pressure on prices is indicated by the large excess of purchasing power over prospective supplies of civilian goods, which means that the natural tendency of buyers is to bid up prices and of sellers to mark up prices. The desire of sellers to raise their prices is often fortified by pressures on their costs, inherent in the advanced stages of wartime mobilization and mostly traceable to shortages of manpower and materials. They include higher unit costs resulting from necessary curtailment in production, and higher labour costs resulting from the use of inexperienced and less efficient help and from a more rapid rate of labour turnover. In agriculture, producers often ask for higher prices to enable them to hold their remaining help and to compensate them for their increased toil and difficulties. Then, too, the less favourable experience of the United States in the realm of price control increases the problems of control in this country."

Successful Control Requires Self-restraint and Co-operation

"No matter what happens to prices, we now face the fact of declining living standards. The only question that has ever been at issue is how the burden of reduced civilian output is to be distributed. The way of rising prices and rising living costs is demoralizing and inefficient. It sets in process an ever-broadening struggle for compensation among all the group and individual interests of society, in which only the strong and unscrupulous can gain or maintain position, and in which most citizens and the nation are the losers. More than that, it stores up additional difficulties and complications to add to the obvious problems of post-war readjustment.

"For these reasons, it is of the utmost importance that the Canadian people persist in the battle against inflation with unabated vigour and determination. But success in controlling prices implies an increasing measure of self-restraint and co-operation. It requires an even greater degree of saving through the curtailment of all but essential spending. It involves a general willingness to subordinate group interests in higher prices, higher profits and higher wages to the national interest. It also implies willingness to accept necessary additional controls and public co-operation in making them work. And, of course, it calls for competent and determined administration."

C

MEN of affairs naturally stop at The Windsor because of its convenient location and its well-established reputation for courtesy, comfort and service.

The Windsor is recognized as the proper place for business and social meetings.

THE Windsor

ON DOMINION SQUARE

J. ALDERIC RAYMOND
PRESIDENT

142

YOUR ESTATE . . . AND TAXES

"WHAT should be impressed upon the public at this time is the effect of new and increased taxation upon estates generally and the absolute necessity of everyone owning even a moderate estate giving the most careful consideration to the planning of his Will. No one should be satisfied to leave in existence a Will prepared even two or three years ago without knowing what will be the exact position in case of his death under present conditions.

"Legislatures cannot pass laws for individual cases. Hence it is absolutely essential that each person in planning for the future of his dependents should know what is the effect of taxation and the plan that he should adopt that will penalize his beneficiaries to the least extent. The experienced trust officers of National Trust Company, who are dealing every day with the actual administration of estates, and the carrying out of the provisions of Wills, are thoroughly qualified to give advice . . . Such advice, based upon actual experience, coupled with the skilled draftsmanship of the testator's solicitor, should produce a Will that will be a sensible and workable document giving the executor a reasonable plan and the powers necessary to carry it out."

W. M. O'CONNOR
General Manager of the NATIONAL TRUST COMPANY

TO THE SHAREHOLDERS AT THE FORTY-FIFTH ANNUAL MEETING

THE COMPANY

I. Assets owned by the Company—		
Cash on hand, Dominion and Provincial Bonds and other securities of a quickly negotiable character	$ 1,831,165.78	
Office Premises at Toronto, Montreal, Hamilton, Winnipeg and Edmonton, Mortgages and other securities of a fixed character	3,696,089.93	
		$ 5,527,255.71
II. Assets held by the Company as Trustee for Savings Depositors and Holders of Guaranteed Trust Certificates—		
Cash on hand and in banks	$ 965,771.48	
Dominion and Provincial Bonds and other securities of a quickly negotiable character	9,959,942.75	
Stocks	163,269.60	
Mortgages	7,776,359.11	
		18,865,342.94
III. Assets held by the Company as Executor and Trustee under Wills, Trusts, Agency Agreements, etc.		293,839,558.27
		$318,232,156.92

THE COMPANY'S EARNINGS

Net Profits for the year after deducting cost of Management, Directors' and Auditors' Fees, contribution to Savings and Pension Fund, Contingencies, etc.	$ 456,324.43
APPROPRIATED AS FOLLOWS:	
To provide for Dominion, Provincial and Municipal taxes other than taxes on Real Estate	$ 164,641.27
Regular Quarterly Dividends for the year totalling	240,000.00
Added to surplus	51,683.16
	$ 456,324.43

SERVICES

The Company offers a wide variety of administrative and financial services to both individuals and corporations. For individuals it administers estates and trusts, accepts agencies for real and personal property, receives and invests savings. For corporations it acts as trustee under bond mortgage, as receiver and manager, as liquidator, as transfer agent, as depository under escrow agreements, and in many other ways.

POLICY

It is our firm conviction, based on long experience, that possessors of moderate means should avail themselves of the benefits of experienced corporate administration and we welcome such appointments. A recent analysis of the number of new Estates, Trusts and Agencies in our Estates Department shows:

$25,000 and under	55%
$25,001 to $75,000	24%
$75,001 to $150,000	10%
Over $150,000	11%

NATIONAL TRUST
Company, Limited

BOARD OF DIRECTORS

THE HONOURABLE LEIGHTON McCARTHY, P.C., K.C., *Chairman of the Board* • J. M. MACDONNELL, *President*
THE RIGHT HONOURABLE SIR THOMAS WHITE, G.C.M.G., G. A. MORROW, A. N. MITCHELL, J. A. McLEOD, *Vice-Presidents*

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CARL RIORDON
W. E. RUNDLE
E. P. TAYLOR
E. K. WILLIAMS, K.C.
FRANK P. WOOD

A copy of the annual statement for 1942 will be mailed to those requesting it.

Investment Notes

Honey Dew Ltd. business remains good in the current fiscal year despite operating difficulties, shareholders at the annual meeting were told by E. P. Taylor, president. Sales of the new subsidiary which supplies food and refreshments at industrial plants already exceed those of the parent company and officials expect that this revenue will continue to grow.

Shareholders approved changing the status of Honey Dew to that of a holding company and changing its name to Canadian Food Products Ltd. The new company would initially have two wholly owned subsidiaries—Honey Dew Co. Ltd. and Industrial Food Services Ltd., there being no change in the present stock position of the company.

* * *

Imperial Tobacco Co. of Canada's cigarette sales in 1942 reached an all-time record, judging by the number of cigarettes released for consumption. To the end of November cigarettes released totalled 9,273 millions, as against 7,862 millions in the like period of 1941. Imperial accounts for over 70% of the cigarette sales in Canada, so that indications are its volume increased by 18% for the first 11 months of 1942.

THE FINANCIAL POST

Canada's Foremost Business Newspaper

Toronto, February 6, 1943

Our Gloomy Coal Picture

Consumption Higher But Labor Shortages and Other Factors Have Driven Output Down

By KENNETH R. WILSON

When U. S. Coal miners went on strike a few weeks ago, Canadian dealers rationed stocks and the country feared another coal shortage such as the last Great War brought.

However, while there may be local shortages due to transportation and other bottlenecks, there isn't any real threat of a serious shortage in Canada between now and spring.

What is worrying coal experts on both sides of the line more is the prospect for 1943-44. Already, in Washington and Ottawa, decisions are being made which may largely determine the kind and quantity of coal you will burn in your home, plant or shop next winter.

So far as Canada is concerned, the sobering fact about coal is that production in this country has simply not been able to keep abreast of the sharp upward demand curve.

We are relying more and more on the United States for our supplies.

Three years ago, Canada consumed 33 million tons of coal (the pre-war average was about 27 million tons). Of that total about 45% came from the United States.

Next year, it is estimated, this country will use 47 million tons of which 60% must come from the U.S.A.

Put another way, while Canada's consumption has been soaring by 40%, the anticipated production of Canadian mines in the coal year which starts April 1 next, is not expected to do anything more than match the figure of 1940-41.

The experts can't see anything better ahead for Canadian mines in 1943-44 than an output of about 17.5 to 18 million tons.

This is less than we produced in the peak year 1941-42. About the same as our production in 1940-41.

What's wrong with Canadian coal production?

Recently the government set up a special War Emergency Coal Production Board headed by J. McG. Stewart, of Halifax, Coal Administrator. It has had a number of important meetings. It has done a lot of digging into the human, financial and statistical facts of Canada's coal problem. Here in brief is what Chairman Stewart thinks is the trouble:

Reasons We Lag

1. **Manpower.** Canada's coal mines urgently require 3,600 skilled miners. About 1,400 of these must be certificated miners, the rest skilled mine mechanics. Every one of these men, if available, could be placed at once. They have been lost to this basic and essential industry by enlistment, the draft and by the drift to other industries. These men represent about one seventh of Canada's coal mining manpower. Many of them were the cream of the crop—the men with the biggest production records.

2. **Absenteeism.** The most complex and difficult of all coal mining problems. It is a combination of phychological, moral, physical and financial factors! — chiefly the first two. Experience in Britain and in Canada suggest there is no quick or easy answer but rather a slow and fundamental approach through improved industrial relations. Though its incidence and effect vary from mine to mine and area to area, the problem is usually so deep-seated in its causes that rewards and cash incentives are of little avail. The approach must be basic, evolutionary.

3. **Transportation.** Canada is going to be dependent on imported coal for six out of every 10 tons consumed in the year 1943-44. This means a complex job of planning in view of reduced rail and shipping facilities. Though the United States is willing to treat Canada as well as one of her own states, there must be split-second timing to make sure we get the "breaks." If U. S. coal cars destined for Canada have to wait as much as a day, they are liable to be diverted elsewhere. Here's a job for national and international co-operation and co-ordination. Mr. Stewart pays tribute not only to U. S. co-operation but to the work of the Canadian Shipping Board and its chairman, A. L. W. MacCallum.

4. **Deliveries.** Distribution of coal to consumers once it is mined and shipped to the chief urban centres is an increasingly difficult job. Shortages of manpower, gasoline and tires are already causing local bottlenecks with many more ahead for 1943-44. Consumer-dealer co-operation will be necessary, with perhaps even more emphasis on the essentiality of the industry and very revised ideas on the part of consumers as to what kind of service they may expect.

The manpower problem is causing Ottawa the most headaches at present. In terms of actual numbers, the men required do not loom large. But in terms of the urgent need for coal, the quantity and quality of manpower available is of supreme importance.

It is only by putting our best foot forward that we can continue to hold the confidence of U. S. officials and producers, and look with reasonable assurance to that

(Continued on page 13)

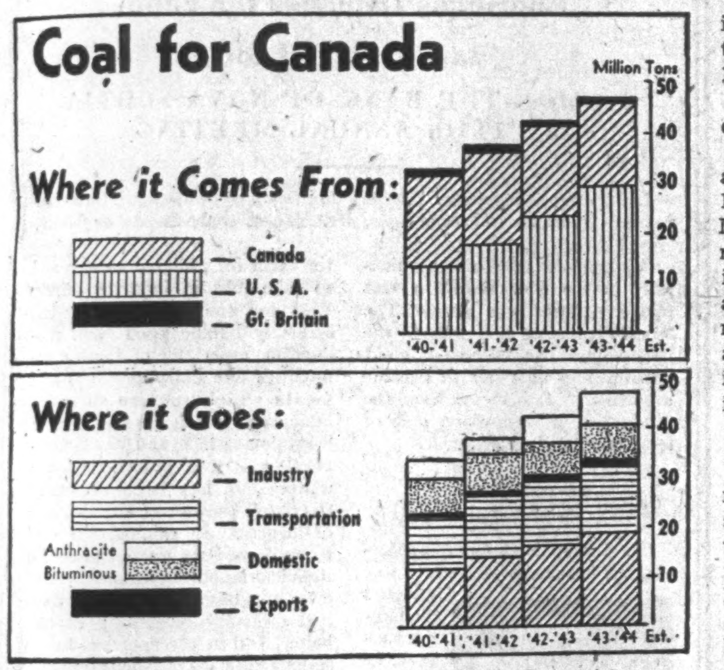

Chart by The Financial Post

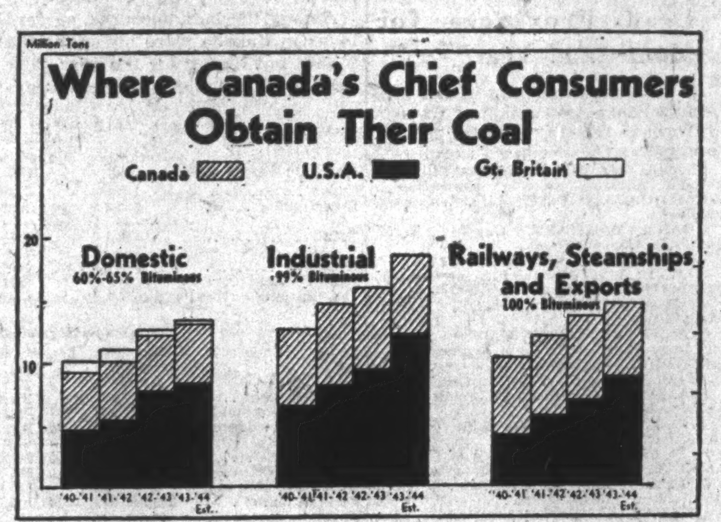

Chart by The Financial Post

—National Film Board photo.

Shipshaw—Our Biggest Power Project

Plans for the Shipshaw development of Aluminum Co. of Canada were prepared 15 years ago. They were shelved because it was considered that the Chute-à-Caron project then under construction, and the Isle Maligne plant at Saguenay Power Co., would provide all the power required for the Arvida smelter. But with war expansion, more power was needed.

* * *

First step was creation of water storage and flood control dams in the wilderness—some in the same latitude as the southern tip of James Bay.

* * *

Work on the main project started in the summer of 1941. By fall, site had been cleared, equipment brought in.

* * *

First generating unit turned over last Nov. 23, second on Nov. 25, the third this week. By year's end all 12 units will be operating, each producing 100,000 horsepower.

* * *

Power house is 400 miles below Montreal, near where the Saguenay flows out of Lake St. John.

* * *

Completed, Shipshaw will generate 1.2 million horsepower—almost one-third more than the four hydro plants on the Canadian side at Niagara Falls and will increase our national power supply by about 12%.

* * *

Cost of project will be around $66 millions. With earlier developments, now incorporated in Shipshaw, cost is nearer $106 millions.

* * *

Project is costing almost double what it would have in peacetime but speed, not economy, has been object.

* * *

Double labor force has been used, workers at the peak of activity reaching 10,595. Millions of dollars have been spent on overtime. For a while payroll ran around $2 millions monthly. Total employment now 2,500 to 3,000.

* * *

Equipment used included 44 power shovels and cranes, 525 trucks, 67 tractors. Average cement consumption was 31 carloads daily, to mix 7,800 cubic yards cement. Getting supplies to remote points was difficult. Horses were chloroformed and flown in to one site.

* * *

Shipshaw has water head of 208 feet. Saguenay River now flows through canal formed by solid rock and concrete dams. This is 1½ miles long, has minimum width of 300 feet, minimum depth of 33 feet.

* * *

Foundation Co. of Canada is the general contractor. All equipment for powerhouse is Canadian-made. Canadian Allis-Chalmers and S. Morgan Smith Canada Ltd., building the turbines. Generators come from Canadian General Electric and Canadian Westinghouse, transformers from C.G.E. and English Electric Co. of Canada. Canadian Westinghouse building control equipment, switchboard.

Balancing the Ledger—

Thousands of painstaking man-hours went into the building of Canada's first Catalina Patrol Bomber, the "Athlone." The ledger was balanced on a single assignment — rescue of nine R.C.A.F. men, grounded for two days and nights when their flying boat was forced down by lack of fuel after a North Atlantic Patrol.

The injured pilot of the grounded plane was first removed to safety and the "Athlone" then returned with 1400 gallons of gasoline. A fuel transfer was made and the patrol plane was able to return to its base.

The workers of Boeing of Canada are bringing the Catalinas off the assembly line proud to know that each ship is quickly taking its place in action regardless of where that action may be.

Producers of Catalina Patrol Bombers and vital parts for five other types of Aircraft.

BOEING OF CANADA

The Wawanesa

Mutual Insurance Company

—ORGANIZED IN 1896—

Admitted Assets - $3,310,837.04
Surplus - - - - 1,735,148.47

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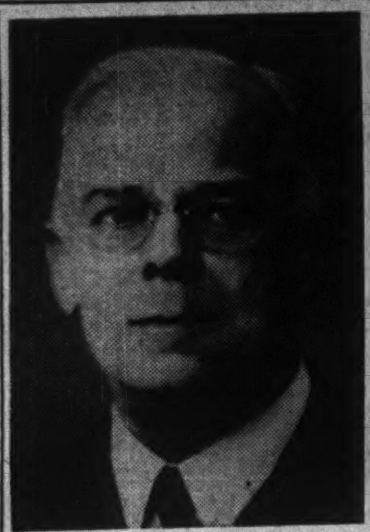


ASSISTANT GENERAL MANAGERS— The Bank of Nova Scotia has appointed Grant Macintyre, H. L. Enman and F. W. Ross assistant general managers. Mr. Macintyre joined the staff of the bank in 1914, was later supervisor of branches, and in 1934 was appointed chief supervisor.; Mr. Enman since 1926 has been supervisor of eastern branches with offices at Saint John, N.B., where he will continue to be located. Mr. Ross in 1923 became supervisor of Cuban branches and in 1925 supervisor of western branches in Canada. He will continue to be located at Winnipeg.

Weekly Bank Clearings

	Jan. 28 1943 $	Change Year ago	Jan. 21 1943 $
Halifax	3,457,033	+8.0	4,074,686
Saint John	2,286,580	—2.9	2,826,448
Moncton	1,180,959	+6.6	1,179,987
Quebec	4,536,963	+4.6	6,108,932
Montreal	132,667,973	+27.8	163,055,097
Ottawa	79,111,629	+91.8	56,655,198
Kingston	687,454	—2.6	753,578
Peterborough	721,234	+7.4	871,819
Toronto	147,046,507	+32.5	168,383,875
Hamilton	6,583,301	+4.3	5,833,081
St. Catharines	1,274,344	—5.0	1,347,479
Kitchener	1,194,000	+8.6	1,176,562
Brantford	943,494	+2.7	1,056,021
London	2,535,661	+15.0	3,208,930
Chatham	576,170	—17.8	629,241
Windsor	5,000,754	+30.1	4,752,248
Sarnia	618,040	+121.3	714,086
Sudbury	1,045,660	—18.0	1,003,411
Fort William	961,226	—2.3	1,117,737
Winnipeg	38,397,277	+0.6	51,454,665
Brandon	420,614	+3.6	475,277
Regina	3,961,819	+1.6	5,410,581
Moose Jaw	582,905	—8.2	719,908
Saskatoon	1,490,478	+5.1	1,754,466
Prince Albert	659,226	+49.7	507,917
Edmonton	5,273,298	+5.3	6,547,041
Calgary	5,620,748	+0.3	6,250,043
Lethbridge	555,574	—3.7	683,088
N. W'minster	817,226	—9.8	816,131
Vancouver	27,542,299	+33.1	24,552,364
Victoria	1,759,234	+5.3	2,009,281

Ontario and Quebec Lead In New Insurance Sales

Sales of ordinary life insurance in Canada and Newfoundland in December totalled $45.5 millions, making a total for the year of $534 millions. Ontario and Quebec led all other provinces in both cases.

The figures are compiled by the Life Insurance Sales Research Bureau and released by the Canadian Life Insurance Officers Association. They are based on the experience of 18 companies, representing 85% of the business in force and are for new, settled for, ordinary insurance, exclusive of increases, revivals, dividend additions, etc.

Figures for the month and year follow:

Sales in December	1942 $
British Columbia	3,233,000
Alberta	2,020,000
Saskatchewan	1,792,000
Manitoba	2,364,000
Ontario	20,346,000
Quebec	11,756,000
New Brunswick	1,230,000
Nova Scotia	1,917,000
Prince Edward Island	310,000
Newfoundland	606,000
	45,576,000
Twelve Months	
British Columbia	40,416,000
Alberta	26,508,000
Saskatchewan	17,065,000
Manitoba	29,702,000
Ontario	233,600,000
Quebec	142,186,000
New Brunswick	14,093,000
Nova Scotia	21,271,000
Prince Edward Island	3,044,000
Newfoundland	6,937,000
	534,822,000

Nova Scotia Light & Power Co. has drawn for redemption $38,500 of its 4% first-mortgage bonds. Payment will be made March 1 in Canadian funds at 103¾ plus accrued interest to date of redemption.

New Insurance $45 Millions

Ontario and Quebec Lead Provinces for Month and Year

At the annual meeting of the Life Underwriters Association of Canada in Toronto recently officers for the coming year were elected as follows:

FRANK ROBINSON, Mutual Life of Canada, Montreal, honorary president.

E. G. CASS, Excelsior Life, Winnipeg, president.

GRANT TAGGART, Cowley, Wyo., honorary vice-president.

Provincial Vice-presidents

C. H. BLACK, Mutual Life of Canada, Charlottetown, Prince Edward Island.

G. H. ROGERS, Canada Life, Halifax, Nova Scotia.

GORDON W. MALCOLM, North American Life, Saint John, New Brunswick.

MAURICE NADEAU, Travelers Insurance Co., Quebec City, eastern Quebec.

J. A. PERRON, Industrial Life, Montreal, western Quebec.

A. G. SMITH, Great West Life, Toronto, eastern Ontario.

H. P. CHARLTON, Sun Life of Canada, North Bay, Ont., northern Ontario.

J. A. SINNOTT, Montreal Life, London, Ont., southeastern Ontario.

MURRAY MARVEN, Monarch Life, Fort William, Ont., Manitoba.

W. A. MURPHY, Metropolitan Life, Regina, Saskatchewan.

WM. GLEN, Dominion Life, Calgary, Alberta.

GEORGE YOUNG, Manufacturers Life, New Westminster, British Columbia.

Other Officials

C. V. EARL, Sun Life, Toronto, chairman of board.

J. C. ROSS, Travelers, Toronto, honorary treasurer.

P. M. MONAHAN, Canada Life, Barrie, Ont., honorary secretary.

FRANK C. HOY, Canada Life, Toronto, registrar, Institute of Chartered Life Underwriters.

F. G. TAYLOR, Mutual Life of Canada, Toronto, chairman executive council, Institute of Chartered Life Underwriters.

G. H. DONALDSON, London Life, Toronto, chairman, membership committee.

Directors

P. V. BOND, Great-West Life, Toronto.

D. F. CONNELL, Dominion Life, Toronto.

G. H. DONALDSON, London Life, Toronto.

R. H. FREEMAN, London Life, Toronto.

P. M. MONAHAN, Canada Life, Barrie.

W. MAGEE, Prudential Insurance Company, Toronto.

A. E. RUNDLE, North American, Toronto.

RYRIE SMITH, Mutual Life of Canada, Toronto.

J. HILES TEMPLIN, Great-West Life, Hamilton.

J. M. TORY, Sun Life, Toronto.

Fourth Decline In Note Issue

For the fourth successive week, the statement of the Bank of Canada shows a decline in note circulation. The total for the week ended Jan. 27 was $676 millions, down $3.6 millions from the previous week and $16 millions below the peak reached on Dec. 30.

Apart from the seasonal lull in business following the Christmas rush the recent bad weather and bad roads have reduced the demand for cash for business purposes.

Total deposits were higher, the rise being in deposits of the Dominion Government and the chartered banks miscellaneous deposits being lower.

Investments and miscellaneous assets were higher with total assets being up about $17 millions.

	Jan. 27 1943 $	Jan. 20 1943 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	676,780,637	680,394,105
Rest fund	5,585,705	5,585,705
Deposits: Dom.	36,385,871	24,228,404
Banks	247,274,144	228,867,314
Other	38,090,289	46,601,479
Total deposits	321,750,304	299,697,196
All other	13,932,623	15,326,622
Total liabs.	1,023,049,269	1,006,003,628
Assets:		
In Sterling & U.S.	342,482	342,482
Subsid. coin	180,196	120,131
Investments:		
Dom. gov. sh.	772,331,551	769,488,713
Other Dom. gov.	228,799,456	219,810,529
Total invest.	1,001,131,007	989,299,242
Premises	2,109,769	2,111,635
All other assets	19,285,815	14,130,138
Total assets	1,023,049,269	1,006,003,628

To Offer Montreal Catholic Issue

MONTREAL.—Montreal Catholic School Commission's issue of $3,800,000 of 4% bonds to mature Dec. 1, 1950, has been oversubscribed. The bonds were offered through a syndicate headed by Rene T. Leclerc Inc.

Proceeds of the issue will be applied to the reimbursement of the $1,800,000 3½% bond issue created in 1935, which matured Oct. 1, 1942, and which on maturity was financed by a temporary bank loan, and for the redemption on Feb. 1 this year of a $2,000,000 5½% bond issue made in 1923.

Savings Depositors Rebuild Accounts

Bank Accounts Show Increase After Decline Due to Purchase of Victory Bonds — Current Loans Lower For Month and Year

Savings deposits in Canada on Dec. 31 at almost $1.7 billion were $43.7 millions ahead of the previous month, the regular statement of the chartered banks to the Minister of Finance as at Dec. 31 reveals. The increase followed two consecutive declines in October and November, when the third Victory loan was being floated, and is almost half the total decline of $118.8 millions which occurred between Sept. 30 and Nov. 30. If this rate of recovery is maintained for two months more it will put the savings deposits above the previous high record of $1,750 millions reached in Jan., 1940, before the first war loan was floated.

Demand deposits which were also reduced at the time of the loan, made a good recovery, regaining $96 millions out of a total drop of $124.3 millions.

Government Deposits

Dominion Government deposits which rose sharply following the loan, fell by $160 millions in December, reflecting government expenditures.

Among the loan accounts, current loans in Canada were lower for the month but higher for the year. The decline for the month reflects repayments of money borrowed by investors to buy Victory bonds. Ordinary commercial loans, it is understood are absorbing a smaller percentage of bank funds than usual.

Decline Seasonal

Current loans usually decline in January. Since 1930, for instance, December current loans have shown an increase only twice. Reasons for this are that: normally in December large stocks of holiday goods are liquidated and loans repaid; a large volume of grain loans is liquidated; many industrial concerns closing their years on Dec. 31, reduce their loans to make a more liquid showing in their annual statements. This year it is believed the seasonal tendency is more marked than usual.

Increased stock exchange activity in closing weeks of the year resulted in a rise in call loans over the previous month, the total being still lower than a year ago. Loans outside Canada both current and call were higher than at the end of November. Call loans abroad were higher than a year ago but current loans abroad were lower.

Investments, while slightly lower than on Nov. 30, were $534 millions higher on the year.

Use of Bank Credits
(In Millions of Dollars)

	December 1942	November 1942	Change	December 1941	Change
Loans	1,198.8	1,264.7	—65.9	1,201.1	—2.3
Investments	2,293.2	2,303.9	—10.7	1,759.2	+534.0
Total	3,492.0	3,568.6	—76.6	2,960.3	+531.7
Deposits	3,172.5	3,031.9	+140.6	2,937.5	+235.0
Credit index*	35.6	39.3%	—3.7%	37.9%	—2.3%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

ASSETS

Immediately Available Liquid Assets	December 1942 $	November 1942 $	Change $	December 1941 $	Change $
Canadian coin	5,782,927	6,178,430	—395,503	7,225,491	—1,442,564
Bk. of Can. notes	121,117,838	115,572,932	+5,544,906	116,345,699	+4,772,139
Bk. of Can. depos.	259,737,885	273,189,818	—13,451,933	232,031,085	+27,706,800
Bank's cash	386,638,650	394,941,180	—8,302,530	355,602,275	+31,036,375
Other banks' notes	1,552,843	1,834,520	—281,677	2,646,499	—1,093,656
Gold, sub. coin abd.	2,630,359	2,770,169	—139,810	3,166,680	—536,321
Foreign banks	225,080,603	197,533,785	+27,546,818	173,788,950	+51,291,653
Foreign currency	48,608,640	44,991,312	+3,617,328	31,067,254	+17,541,386
Gov. sec. sht. term	1,261,630,845	1,278,358,818	—16,727,973	792,655,363	+468,975,482
Do., long term	739,498,798	741,236,474	—1,737,676	723,274,221	+16,224,577
Call loans abroad	73,607,200	59,906,929	+13,700,271	47,646,830	+25,960,370
	2,739,247,938	2,721,573,187	+17,674,751	2,129,848,072	+609,399,866
Loans and Other Securities Other Than Those of Canadian Government					
Municipal secs.	68,963,872	70,702,884	—1,739,012	79,186,134	—10,222,262
Public secs.‡	140,272,419	129,910,619	+10,361,800	75,159,966	+65,112,453
Other secs.	82,866,558	83,705,446	—838,888	88,953,409	—6,086,851
Can. call loans	31,221,473	28,621,611	+2,599,862	31,860,588	—639,115
Current loans	1,099,807,975	1,164,472,687	—64,664,712	1,083,701,002	+16,106,973
Loans abroad	113,217,112	109,577,495	+3,639,617	136,210,337	—22,993,225
Prov. loans	6,178,812	5,474,313	+644,499	15,036,341	—8,917,529
Mun. loans	61,612,772	66,153,201	—4,540,429	70,526,467	—8,913,695
	1,604,080,993	1,658,618,256	—54,537,263	1,580,634,244	+23,446,749
Other Assets					
Non-current loans	3,306,872	3,395,884	—89,012	4,596,594	—1,289,722
Real estate	5,410,991	5,505,563	—94,572	6,489,938	—1,078,947
Mortgages	3,305,302	3,352,743	—47,441	3,381,901	—76,599
Premises	67,784,933	67,796,200	—11,267	69,388,155	—1,603,222
Letters of credit	113,448,675	111,128,819	+2,319,856	123,512,114	—10,063,439
Loans to comp.	10,930,664	11,169,982	—239,318	10,846,836	+83,828
Other assets	2,146,269	2,140,052	+6,217	1,928,153	+218,116
	206,333,706	204,489,243	+1,844,463	220,143,691	—13,809,985
Total	4,549,662,637	4,584,680,686	—35,018,049	3,930,626,007	+619,036,630
Note circ. dep.	4,027,363	4,024,805	+2,558	4,491,508	—464,145
Int. bank bal.	212,880,513	186,308,046	+26,572,467	201,482,716	+11,397,797
Gross	4,766,570,513	4,775,013,537	—8,443,024	4,136,600,231	+629,970,282
Liabilities To the Public					
Circulation	61,860,858	65,497,026	—3,636,168	73,204,656	—11,343,798
Dom. Govt.	416,520,782	576,552,581	—160,031,799	114,174,310	+302,346,472
Prov. Govt.	68,243,404	71,417,338	—3,173,934	52,832,85[illegible]	+15,410,547
Deposits by Public					
Demand dep.	1,499,311,099	1,402,415,543	+96,895,556	1,268,471,475	+230,839,624
Savings dep.	1,673,189,283	1,629,494,616	+43,694,667	1,669,032,146	+4,157,137
Total	3,172,500,382	3,031,910,159	+140,590,223	2,937,503,621	+234,996,761
Foreign dep.	544,876,249	538,376,387	+6,499,862	462,044,432	+82,831,817
Due to Banks Abroad					
Bills payable	....	....	....	9,842	—9,842
United Kingdom	30,539,938	28,001,154	+2,538,784	19,164,019	+11,375,919
Foreign	36,934,260	35,488,367	+1,445,893	34,255,324	+2,678,936
Letters of credit	113,448,675	111,128,819	+2,319,856	123,512,114	—10,063,439
Other liabs.	6,285,484	5,470,807	+814,677	8,322,128	—2,036,644
Total pub. liabs.	4,451,210,032	4,463,842,638	—12,632,606	3,825,023,303	+626,186,729
Due bet. banks	17,465,025	12,836,888	+4,628,137	13,951,324	+3,513,701
Liability to Shareholders					
Dividends	1,201,832	1,831,372	—629,540	1,489,177	—287,345
Reserve	136,750,000	136,750,000	....	134,750,000	+2,000,000
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	4,752,126,889	4,760,760,898	—8,634,009	4,120,713,804	+631,413,085

‡Other than Canadian.

The Independent Order of Foresters

For over sixty years the I.O.F. has furnished broad plans of insurance protection and provided its membership with valuable fraternal benefits.

The Society issues Ordinary Life, Twenty Payment Life, Twenty Year Endowment Certificates and a Modified Endowment maturing at age sixty-five. All Certificates provide cash, loan and paid-up values and generous benefits in case of total and permanent disability.

ASSETS OVER $44,000,000.00

VICTOR MORIN, LL.D., Supreme Chief Ranger

Head Office: - - Toronto, Canada

MORDEN, HELWIG & FERRIE LIMITED
Insurance Adjusters
Automobile, Casualty, Fire and Allied Lines, Inland Marine
HAMILTON, LONDON, WINDSOR, KITCHENER,
ST. CATHARINES, SARNIA, CHATHAM, OWEN SOUND

PRODUCTION RECORD GREAT ACHIEVEMENT

"TOOLS OF WAR" DOMINATE PRODUCTION PICTURE

Agriculture Meets Enormous Demands for Food

Says **J. A. McLeod**

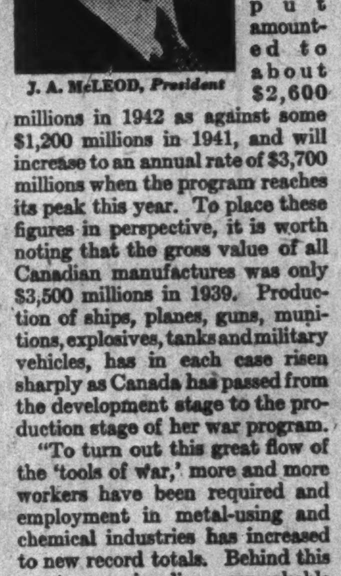
President—THE BANK OF NOVA SCOTIA AT 111th ANNUAL MEETING

In his annual address on February 3rd, in which he discussed Canadian business under wartime conditions, Mr. McLeod spoke in part as follows:

"Behind the lines, and particularly in the New World, a vast offensive power is gathering. The 'trickle' of arms and men to the battle lines has become a great 'stream' and bids fair to become a 'torrent'." In his remarks on the production of munitions and of food supplies, he continued:

Growth of War Industry Impressive

"In the sphere of manufacturing, the enormous increase in war output dominates the scene. According to the Minister of Munitions and Supply, war output amounted to about $2,600 millions in 1942 as against some $1,200 millions in 1941, and will increase to an annual rate of $3,700 millions when the program reaches its peak this year. To place these figures in perspective, it is worth noting that the gross value of all Canadian manufactures was only $3,500 millions in 1939. Production of ships, planes, guns, munitions, explosives, tanks and military vehicles, has in each case risen sharply as Canada has passed from the development stage to the production stage of her war program.



J. A. McLEOD, *President*

"To turn out this great flow of the 'tools of war,' more and more workers have been required and employment in metal-using and chemical industries has increased to new record totals. Behind this great expansion lies a remarkable record of organization and technical progress. The growth of war industry to its present stature has been accompanied by—indeed, it has been made possible by—a great development in the skill of Canadian men and women workers, startling results in Canadian scientific investigation, and rapid and continual progress in industrial technique."

Civilian Manufacturing Restricted

"When we turn, however, to civilian manufacturing operations, we find ample evidence of restriction. If we examine the employment statistics for November 1st (the latest figures available), we can see that over the preceding twelve months there were few increases apart from the armament industries and that a number of decreases had occurred. Employment in the textile industries was about the same as a year earlier, while moderate decreases were recorded in the food processing, leather products, pulp and paper and printing, and lumber and wood products industries. The significance of this declining tendency is all the greater when it is remembered that most of these industries have had to meet an enlarged war or war-export demand for their products, which means that they have had substantially fewer workers engaged on strictly civilian output."

Primary Industries Maintain Output Despite Labour Shortages

"Primary industries have suffered from the most acute shortages of labour in the Canadian business structure. Agricultural workers continued to leave the farm for military service and to take jobs in industry during 1942 and the loss of labour has seriously handicapped farm production, especially of those commodities like dairy products and meats which require so much labour and which are now in such great demand. In the forest industries, it is well known that the winter cut has been seriously restricted because of the shortage of loggers. In mining, the coal mines have been unable to obtain sufficient labour for some time, and even the base metal mines have had difficulty in getting enough help. And in the fisheries, too, a serious shortage of labour prevails.

"In the light of these problems of labour shortage which have arisen, the production record of Canada's primary industries represents a very substantial achievement. In mining, base-metal output was well maintained and in some cases increased, and the total for 1942 stands at the highest levels in the history of the industry. For wartime reasons, gold production has declined, but by the same token output of a number of strategic minerals, such as magnesium, mercury, molybdenum and tungsten, has been developed rapidly. In agriculture, thanks to good weather and hard work, output was on the whole appreciably larger than in 1941. Wheat and the major field crops were extraordinarily bountiful, milk and egg production increased, and livestock output was maintained close to the high levels of the preceding year."

Canadians Share Food With Others

"Against this background of heavy farm production, it may seem strange that it became necessary to ration butter and that in parts of the country the supply of meat has not always been adequate to fill the demand. Living in one of the great agricultural lands of the world, Canadians find it hard to realize that they cannot always have all the meat or the butter that they would wish to buy. And yet, there are very good reasons why shortages of certain foodstuffs are beginning to appear. In the first place, the Canadian people are eating more than ever before of meat, eggs and dairy products. This is the case because incomes have generally risen and because there are no longer large numbers of unemployed and underemployed people. In the second place, the people of North America have the principal responsibility for providing food for Britain, for the growing armies of the New World in Europe and Africa, and for feeding the conquered peoples as they are released from bondage. This is a great and vital contribution to victory, and Canada's part in it is indicated by the fact that our shipments to Britain in 1942 represented about two-thirds of our commercial output of hogs and cheese, and one-seventh of our output of eggs, not to mention large shipments of wheat and other farm products. Then we have to feed, and feed well, our growing armed forces in Canada and make provision for shipments of food to Newfoundland, for ships' stores, and for ample supplies for such projects as the Alaska Highway.

"The minor restrictions in the supply of certain foodstuffs are due to these heavy additional demands which are concentrated on meats and dairy products. They have not been the result of any failure on the part of Canadian agriculture, which has laboured with fewer hands to maintain and increase production. Canadians are, and will continue to be, among the best fed peoples on earth. We are learning, however, that war and plenty are utterly inconsistent."

THE

DOMINION OF CANADA
GENERAL
INSURANCE COMPANY

HEAD OFFICE, TORONTO

1942 A SUCCESSFUL YEAR

TOTAL INCOME (Net)	$1,981,156.28
ASSETS (Securities at Market Value)	$6,278,003.04
RESERVES and all Liabilities	$4,219,924.19
CAPITAL STOCK (Paid Up)	$1,005,300.00
SURPLUS	$1,049,127.70
SURPLUS SECURITY (To Policyholders)	$2,054,427.70

E. D. Gooderham, *President* H. W. Falconer, *Vice-President and Managing Director*
J. Cecil Stuart, *General Superintendent*

Canada's Oldest and Strongest Multiple Line Company

BRANCHES MONTREAL, WINNIPEG, OTTAWA, CALGARY, HAMILTON, VANCOUVER, LONDON, (Ont.) KINGSTON, (Jamaica)

1942 YEAR END STATEMENT
Speaks for Itself

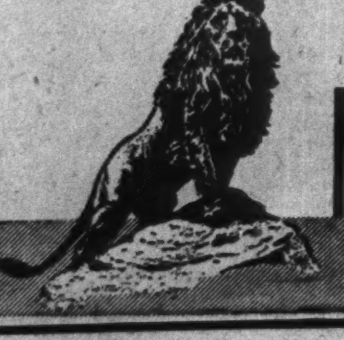
ASSETS

Bonds	$ 9,499,840.85
Stocks	2,255,544.40
In the aggregate, the market value of the above securities substantially exceeds the above book values. This difference provides a protection against fluctuations in market values.	
Mortgages and Agreements Principal owing on first encumbrance securities on improved real estate	3,194,036.15
Real Estate Properties being held for sale, but in the meantime producing substantial net revenue	527,135.49
Loans on Policies These loans to policyholders are fully secured, as in no instance does the amount of the loan against a policy exceed the Cash Surrender Value thereof	1,733,989.23
Net Outstanding and Deferred Premiums Insurance and Annuity premiums in course of collection, or not yet due. They are fully secured, because in each case a reserve has been set up assuming the full year's premium paid	258,673.21
Interest Accrued The amount of interest accrued but not due on Policy Loans and on Bonds	98,739.18
Cash in Banks and on hand	191,176.87
TOTAL ASSETS	$17,759,135.38

LIABILITIES TO POLICYHOLDERS, BENEFICIARIES AND OTHERS

Policy Reserves The amount which, with interest and future premiums, will assure the payment of all policy benefits, maturities and claims	$14,216,101.00
Policy Claims Awaiting Proof All Claims of which we have knowledge but for which we await completion of papers	130,879.15
Other Policy Obligations Policy proceeds left on deposit with the Company and Premiums paid in advance of the due dates	1,320,867.38
All other Obligations Provision for Taxes, Shareholders' Dividend and Miscellaneous minor items	88,000.55
ADDITIONAL FUNDS FOR THE PROTECTION OF POLICYHOLDERS AND BENEFICIARIES	
Capital and Shareholders' Account This is the Capital invested in the Company by Shareholders, plus the amount at the credit of their account	314,181.14
Dividends to Policyholders This amount provides fully for all Policyholders' Dividends payable in 1943 and all other Dividends accrued to the end of 1942	379,961.00
Reserve for Unreported Policy Claims This is a liberal provision for any death or disability claims which may have arisen prior to the end of 1942 but of which the Company had no knowledge	50,000.00
Unallocated Investment Reserve This is a protection against any future depreciation in the value of Assets	200,000.00
Contingency Reserve This amount provides liberally for any unforeseen adverse developments of any nature which may arise out of war conditions or otherwise	400,000.00
Surplus above Reserves After providing all these special Reserves there remains this unallocated Surplus	659,145.16
TOTAL LIABILITIES	$17,759,135.38

E. J. TARR, President. G. C. CUMMING, General Manager.



THE MONARCH LIFE Assurance Company

THE LONDON & LANCASHIRE INSURANCE CO. LTD.
ABSOLUTE SECURITY
W. R. HOUGHTON
Manager

A Wartime Report of Strength and Service

Balance Sheet, December 31st, 1942

ASSETS

Real Estate:		
Office Premises	$ 90,000.00	
Other (Held for Sale)	345,147.27	
		$ 435,147.27
Mortgages on Real Estate		7,618,421.75
Agreements for Sale		601,928.86
Loans on Collateral		8,769.88
Loans on Policies		1,294,019.21
Bonds and Debentures		3,543,862.73
Stocks		100,746.00
Cash on Hand and in Banks		92,913.68
Interest Accrued		51,777.69
Premiums Due and Deferred (Net)		145,594.72
Other Assets		1,100.30
TOTAL ASSETS		$13,894,282.09

LIABILITIES

Policy and Annuity Reserves	$11,930,749.00
Provision for Unpaid and Unreported Claims	142,407.00
Amounts left with Company at Interest	263,011.00
Premiums Paid in Advance	17,643.94
Interest Paid in Advance	286.24
Taxes, Expenses and Accounts Due and Accrued	40,867.00
Other Liabilities	55,032.83
Dividends Allotted to Policyholders	14,908.00
Staff Pension Fund	18,716.00
Investment and Contingency Reserves	425,000.00
CAPITAL PAID IN	327,155.00
SURPLUS	658,506.08
TOTAL LIABILITIES	$13,894,282.09

Income increased by $114,719 . . . Assets gained $712,415 and Policy Reserves $495,850 . . . New Insurance Settled For $4,452,458, bringing Total in Force to $44,045,418 . . . Surplus and Investment and Contingency Reserves increased to $1,083,506, providing high margins of protection for policyholders . . . Gross rate of interest earned on ledger assets 5.1%.

PROTECTION
THE EQUITABLE LIFE INSURANCE COMPANY OF CANADA
HEAD OFFICE—WATERLOO, ONTARIO

We Have Been Asked . . .

With this issue The Financial Post is consolidating its enquiry departments. Our purpose is to provide as quickly as possible the answers to specific questions about business, taxation, investments, wartime regulations and other subjects. All enquiries, as in the past, will be answered by letter. Those of widest public interest will be printed anonymously in this column.

The Post cannot undertake to make predictions, will not express opinions on matters involving individual business judgment. What we will do is to give a factual background that will help subscribers with their problems, assist them in reaching their own decisions. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave.

Income Tax

Normal Tax Rate

I am an unmarried man with an income of $3,200 a year. They tell me I must pay normal tax at the rate of 9% on my total income. Is this correct and if so why? I saw some place that the normal tax rate was 7%.

Your rate of normal tax rate is set by your status as a married person, or, otherwise, and the amount of your income. The first thing to do is to establish what your taxable income is. You arrive at this by deducting from your total income, charitable donations, contributions to your employer's superannuation fund, if any, and medical expenses in excess of 5% of your income, within the limits set out in the regulations.

If as a single person you have a taxable income of over $660 a year but not more than $1,800 you pay 7%. If over $1,800 and not more than $3,000 you pay 8%, if over $3,000 you pay 9%. Married persons pay no normal tax if taxable income is less than $1,200. If over $1,200 they pay 7%, the only rate for a married person.

Investment Income

I am employed with a firm which is deducting income tax from my salary of $4,000 a year each pay day. In addition, however, I have a private income of $1,000 from which nothing has been deducted. When and how do I pay income tax on this?

You are expected to make a return next September, showing your total income including salary and investment return. From the total tax due, you are expected to deduct what has already been deducted by your employer and pay the balance with your return. If your earned income were less than 75% of your total income, it would be necessary for you to make a quarterly payment on your tax on Oct. 15, Jan. 15, April 15 and July 15.

Accumulated Interest

A client of mine purchased in one payment in 1934 an annuity to start in 1942. He died, however, before the initial payment was made. Under the terms of the contract the original purchase price, plus interest at 4% compounded annually, is returned to the annuitant's estate. Is the interest accumulated to be regarded as income received during 1942? Or is this interest to be regarded as accumulated capital and not taxable?

According to a ruling we have received, treating the matter in a general way and without regard to any special circumstances which might alter the situation, the accumulated interest is income to the recipient in the year in which it is received. Accordingly it would not be regarded as accumulated capital.

Stocks

Massey-Harris

Under current restrictions do you think that Massey-Harris will be able to maintain its profit level?

The business of Massey-Harris Co. underwent drastic changes last year and further ones are in prospect. The company will be restricted to somewhat less than 25% of the amount of materials it used in 1940 to make new farm implements—a drastic reduction from 1942's quotas. To offset this, the company is actively engaged in making a wide range of war materials and it is reasonable to expect that total sales will compare favorably with normal years.

Operations in the United States are subject to much the same restrictions as in Canada and there too it has substantial war orders.

No information is yet available as to what earnings for the year ended Nov. 30, 1942, will be. It has been announced that implement sales for the whole year will be lower than the previous year. On the other hand its total manufacturing activity has apparently set new peak levels and earnings will probably be substantial.

Ford of Canada

How has the volume of war work being done by Ford of Canada affected its profit position?

Ford Motor Co. of Canada in 1942 probably reached an all-time high in dollar value of production. It seems reasonable to expect a good level of earnings and that the current $1 a share dividend will be earned and paid without difficulty.

Postwar position of this company should be reasonably good once it gets re-established in civilian output. This may take a few months as it will be necessary to convert its plants from the specialized type of equipment which war demands to the more every-day passenger cars and trucks.

Always a substantial exporter, Ford's overseas trade has been seriously interfered with as a result of the war. Its position should, however, remain good and there is no doubt about the existence of a large backlog of postwar business.

War Regulations

Used Electrical Pumps

Is there a ceiling price on a used electrical pressure pump and tank?

The price of such equipment should be in line with that which applied in the basic period Sept. 15 to Oct. 11, 1941. In no case should the price be higher than that charged for a new machine. If you feel you have been overcharged you should write the Administrator of Farm and Construction Machinery, Toronto General Trust Building, Toronto, giving particulars.

Consumer Credit

In what way does the new consumer credit regulation affect charge accounts?

By W.P.T.B. order effective Feb. 1, charge accounts must be settled by the 25th of the month following the month of purchase. No days of grace are permitted.

Selling Residence

Can I sell my house, which is already rented? The tenant's lease expires in March.

Yes, provided that the buyer understands he cannot have the house for his own use without giving the present tenant at least 12 months notice expiring on April 30, 1944.

New Wartime Regulations

Post Summary of Latest Rulings from Ottawa

NEW TRUCKS. M. & S. Order MVC-24, Dec. 21. No person shall sell a new truck unless the buyer has permission in writing. Motor Vehicle Con., J. H. Berry.

* * *

SHIP'S STORES W.P.T.B. Order 226, Jan. 12, requires that an inventory of ship's stores be delivered to the Administrator of Ship's Stores at time of purchase and provides that no more than a week's supply can be purchased on a daily order. Accurate records must also be kept of all transactions and the administrator is given power to fix prices. W.P.T.B. Chairman, Donald Gordon.

* * *

FERTILIZERS. W.P.T.B. Order A-549, Jan. 13, establishes zones in which different companies may sell fertilizer in eastern Canada. Adm. of Fertilizers, G. S. Peart.

* * *

OIL WELLS. M. & S. Order CC-18, Jan. 13, exempts the drilling of oil wells from the regulation requiring permits for construction work. Con. of Construction, C. Blake Jackson.

* * *

DOUGLAS FIR. M. & S. Order TC-14-A, Jan. 13, fixes maximum prices for Douglas fir logs sold in British Columbia. Timber Con., A. H. Williamson.

* * *

USED CONTAINERS. W.P.T.B. Order A-561, Jan. 15. Only authorized dealers may deal in used barrels, cans, drums and pails, and the maximum prices for such containers are fixed. Adm. of Used Goods, S. Godfrey.

* * *

FISH. W.P.T.B. Order A-564, Jan. 18, regulates the retail and wholesale markup on a wide range of fish products. Food Adm., J. G. Taggart.

* * *

BOOK, WRITING AND SPECIALTY PAPER. W.P.T.B. order 227, Jan. 22, provides for fuller government control over book, writing and specialty paper, requiring manufacturers to report any change in place of business or character of manufacturing within ten days. W.P.T.B. chairman, Donald Gordon.

* * *

GLASS FOOD PRODUCTS CONTAINERS. W.P.T.B. order A-567, Jan. 22, 1943, is an amendment on order A-441, and forbids the manufacture of glass containers for packing cream cheese or sandwich spread. It also makes further restrictions regarding tumblers and glass jars. Adm. of Glass and Glass Products, H. R. Harrison.

* * *

CORN SYRUP. W.P.T.B. Order A-570, Jan. 23, forbids the purchase of corn syrup for commercial manufacture, but permits exemptions in special cases by the administrator. Sugar Adm., S. R. Noble.

* * *

UNIT HEATERS. W.P.T.B. Order A-574, Jan. 23, restricts the use of various articles in the manufacture of unit heaters. Adm. of Heating, Plumbing, Air-conditioning Equipment and Supplies, E. J. Laidlaw.

* * *

ELECTRICAL GENERATORS, MOTORS AND CONTROL EQUIPMENT. W.P.T.B. Order A-569, Jan. 22, places restrictions on the manufacture of various types of electrical equipment in this class. Adm. of Electrical Apparatus, Machinery and Electrical Instruments, W. E. Ross.

* * *

BARBED WIRE. W.P.T.B. Order A-575, Jan. 23, sets maximum prices of barbed wire. Adm. of Wholesale Trade, E. W. Smart.

* * *

GLYCERINE RECOVERY. W.P.T.B. Order A-571, Jan. 29, sets forth the glycerine recovery required in various types of soap manufacture. Oils and Fats Adm., Phyllis G. Turner.

* * *

CARBON PAPER. W.P.T.B. Order A-573, Jan. 31, restricts the manufacture of carbon paper to the amount manufactured in 1942 by any given firm and orders that a list of brands manufactured in the period be filed within 15 days with the co-ordinator of sundry items. It forbids the manufacture of various other allied items. Co-ordinator of Sundry Items, L. E. Messenger.

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IMPERIAL BANK OF CANADA

HEAD OFFICE: TORONTO—BRANCHES THROUGHOUT CANADA.

265

LONDON CALLING

WRITTEN EACH WEEK EXCLUSIVELY FOR THE FINANCIAL POST BY *Adelphi*

LONDON.—There was a lovely misty moonlight last Sunday and I was lucky enough about 8 p.m. to secure a taxicab to get home to dinner. Hardly had we started when the warning siren went and the guns began to bark. It was strange—and so familiar. From time to time during the last fifteen months there had been warnings when a vagrant Hun machine seemed to be on its way to the capital but no gunfire and no bombing except an occasional shell sent into the sky like a policeman's warning.

And now the guns were in full blast again and one began to realise that what goes up must come down. The red traffic lights seemed excessively stubborn and the green lights most reluctant to appear.

Home . . . the grate fire with its rationed coal was particularly cosy. Once more one felt that sense of security, false if you like, from being indoors. Then the all clear went and we dismissed it as a retaliatory gesture by Hitler in revenge for the bombing of Berlin a few hours before.

* * *

Second Call

About 4 a.m., however, the sirens went again. Sir Ernest MacMillan has never secured from an orchestra an effect like these sirens sounding in a great city. One hears its eerie chromatic wail in the distance. It is taken up by another and then another siren, each louder than the last until with a mighty howl the nearest one breaks into sound with a sort of triumphant horror.

This time the Germans meant business but London's guns got busy again. The air was split and shattered by as unearthly a din as I can recall. No wonder the Germans dived and turned and twisted to get out of the inferno of the skies. Then came the old familiar whistle of a bomb which seemed uncomfortably close. In fact one was conscious of it passing outside the open window. A crunch and my house cracked like a ship at sea. We were all right but five houses just around the corner were demolished and the search for the survivors had begun.

There is nothing new in all this—and I know that one man's bomb is another man's boredom—but as a passing historian I must record the curious effect it had on us all after a respite of fifteen months.

At first we felt impatient as if something unpleasant had happened again when we thought it was all a thing of the past. Then there was the odd familiarity of it all and the eerie silence of the great city whenever the guns paused for breath.

DIRECTOR

Senator Leon Mercier Gouin of Montreal, who has been elected a director of the Excelsior Life Insurance Co.

Next day the old familiar sign "Diversion" was on the road. An unexploded bomb had cut a square half mile off from the general circulation. What would be the effect on the West End of London which is so terribly overcrowded? Would those who had gone away before and gradually crept back, make a second getaway? Not this time, or at least, not yet. The feeling persists that Hitler cannot again mount attacks on London on the scale that he did before. Incidentally one of the lighter aspects of it all was, I am told, to contrast the attitude of the Londoners during the raid with the recently arrived Americans. Like all veterans the Londoners are snobs. "That's nothing," they would say to the eager and excited Americans. "You ought to have been here on the Wednesday or the Saturday of the Blitz."

* * *

Few Scars

London was not badly scarred and life was quite normal the next day. But in the meantime our bombers were over Berlin again. At this time of the year Berlin would be deep in snow and bitterly cold. Water supplies for fighting the fires might be extremely difficult to guarantee. With Goebbels admitting large scale defeats in Russia our bombers must have seemed like the harbingers of doom.

The next day it was a policeman at Westminster who told me about the Germans' reply. "They got 30 children in a school," he said, "in broad daylight." And he gave me the name of the town.

You cannot imagine a more peaceful spot than this little town which is reached by winding roads with pleasant "pubs" to cheer the visitor on his way. When the war came its children were evacuated, but after the Blitz they began to find their way back. "They are just as safe here as anywhere," the parents said. So first one schoolroom and then another and another was reopened. Families were together again and life was just like old times.

It was noon and the youngest children had assembled on the second floor for the fresh milk supplied by the government to school children.

The Germans came through the clouds, dived and loosed their bombs. "Another military objective had been destroyed," their wireless claimed. If the broken hearts of parents and the broken bodies of little children are a military objective they spoke the truth.

It would seem that the death roll may exceed 50.

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CANADA PERMANENT Mortgage Corporation

HEAD OFFICE: CANADA PERMANENT BUILDING, 320 BAY STREET, TORONTO

FINANCIAL STATEMENT

for the Year ending December 31st, 1942

PRESENTED AT ANNUAL MEETING HELD JANUARY 29th, 1943

ASSETS

Office Premises—		
Toronto, Winnipeg, Vancouver, Saint John, Edmonton, Regina, Halifax, Woodstock (Ont.) and Brantford (Ont.)		$ 3,396,500.00
Real Estate held for Sale		1,447,983.95
Mortgages and Agreements For Sale on Real Estate—		
Principal	$45,437,093.23	
Interest	668,185.80	
		46,105,279.03
Loans on Bonds and Stocks		104,499.89
Bonds and Stocks Owned—		
Bonds of or guaranteed by the Dominion of Canada		3,471,501.66
Bonds of or guaranteed by the Provinces of Canada		1,478,590.86
Bonds of Canadian Municipalities		690,596.58
Bonds guaranteed by City of Toronto		98,867.00
Other Bonds and Debentures		222,280.99
Stocks, including $980,000 (par value) of The Canada Permanent Trust Company		1,715,200.98
Cash—		
In Chartered Banks and on hand		3,547,603.05
		$62,278,903.99

LIABILITIES

To the Public—		
Debentures—		
Debentures, Sterling, and Accrued Interest (£1,483,054:15s:5d)	$7,217,533.21	
Debentures — Currency — and Accrued Interest	26,018,842.76	
Deposits and Accrued Interest	16,323,800.40	
Reserve for Income and Excess Profits Taxes, after payment of $60,000 on account of taxes on 1942 profits	140,000.00	
Sundry Accounts	25,324.10	
		$49,725,500.47
To the Shareholders—		
Capital Stock subscribed and fully paid	$7,000,000.00	
Reserve Fund	5,000,000.00	
Dividend payable 2nd January, 1943	140,000.00	
Balance carried forward at Credit of Profit and Loss	413,403.52	
		12,553,403.52
		$62,278,903.99

PROFIT AND LOSS ACCOUNT

Balance at Credit of Profit and Loss, December 31st, 1941	$ 405,962.82
Net Profits for the year, after deducting interest on borrowed capital and expenses of management, after paying Dominion Income and other Taxes due and after making full provision for all charges and losses other than those provided for hereunder, amounted to	692,440.70
	$1,098,403.52
Appropriated as follows:	
Four quarterly dividends of Two per cent. each on the paid-up Capital Stock	$ 560,000.00
Written off Office Premises	100,000.00
Transferred to Tax Reserve	25,000.00
Balance carried forward at Credit of Profit and Loss	413,403.52
	$1,098,403.52

BOARD OF DIRECTORS

F. GORDON OSLER, President
E. D. GOODERHAM, Vice-President
CHARLES S. ROBERTSON, Vice-President
F. S. CORRIGAN JOHN R. LAMB ROY L. WARREN LEIGH M. McCARTHY
SAMUEL ROGERS, K.C. G. HAROLD AIKINS, K.C., Winnipeg T. D'ARCY LEONARD, K.C.

CHARLES S. ROBERTSON General Manager
ROBERT HENDERSON WALTER F. WATKINS Assistant General Managers

Branch Offices: Toronto, Woodstock and Brantford, Ont.; Winnipeg, Man.; Edmonton, Alta.; Regina, Sask.; Vancouver, B.C.; Saint John, N.B. and Halifax, N.S.

CANADIAN TAX AND BORROWING RECORD

FISCAL POLICY OF CANADA COMPARES FAVOURABLY WITH THAT OF OTHER COUNTRIES

Says **H. D. BURNS**

General Manager—**THE BANK OF NOVA SCOTIA AT 111th ANNUAL MEETING**

In his annual address, in which he reviewed the Bank's statement, Mr. Burns also made the following general comments on Canada's fiscal policy:

"This country has pursued a strong and determined financial policy which has been, and is, a potent force working against inflation, and safeguarding the efficient functioning of the body economic. It is true that, because of the compelling needs of war, the Government has had to do some additional short-term financing with the banks and that such financing is of an expansionist character. But it is equally true that such loans have been kept at a minimum by heavy taxation and by persistent and large-scale borrowing campaigns. Indeed, Canada's record in this regard compares favourably with that of the United States and Great Britain."

H. D. BURNS

Taxation Meets 50% of Requirements. Income Taxes Heavy

"Comparison of Canadian taxation with that of Great Britain and the United States shows that we have not been backward in the use of this important fiscal weapon. In the current fiscal year, it is estimated that the Dominion Government will raise through taxation about 50% of its total financial requirements, which incidentally are now about the same as the entire national income prior to the war. In Great Britain, taxes are expected to cover about 45% of total expenditures, while in the United States the corresponding proportion is slightly over 30%.

"In the sphere of the personal income tax, which is nearest and dearest to our pockets, the Canadian schedule, including the refundable portion, is just about as high as the British and far higher than the American. Indeed, for the middle income brackets, the Canadian rates are somewhat higher than the British, though at the top end of the scale they are a trifle lower and at the bottom end they do not extend so far down into the low incomes. A survey recently published in the Bulletin of the Federal Reserve System brings out the comparison, giving all the figures in their American dollar equivalents. It shows that a single person without dependents having a net income of $2,000 (U.S.) pays $628 in Canada, $624 in Britain, and $353 in the United States. At the $10,000 level, the tax liability becomes $5,229 in Canada, $4,620 in Britain, and $2,914 in the United States. To some extent, these figures overstate the weight of the Canadian tax, since the refundable portion of the Canadian payments is considerably larger than in the other two countries and since, unlike the British, we are permitted to credit certain types of saving against the refundable part of our liability. But in another way, the Canadian tax is heavier than the British: in this country, dividend payments are taxed twice, first as part of net corporate income and then again as personal income, whereas in Britain they are taxed only as personal income."

Suggests Pay-as-you-earn System

"The system of collection could be greatly improved by the adoption of a pay-as-you-earn policy along the lines of what is now known as the Ruml Plan. Last year, the Government took an important step in the right direction by adopting a policy of collecting income taxes at the source of payment on a frequent and regular basis. But significant as this improvement has been, current tax collections still relate to past rather than present income and as a general rule we are all eight months behind in our payments.

"At pre-war rates, this lag did not raise major difficulties but, at the very high rates of today, it works serious injustice and tends to increase tax defaults. To the families of those who die, it leaves a burdensome and sometimes crushing liability. To those who enter the Armed Forces at a sacrifice in income, it presents a bill which may be beyond their capacity to pay and which in any event discriminates against unselfish and patriotic citizens. It also presents serious problems for those who find it necessary to cease active or full-time work, whether for reasons of age or poor health. And for everyone who is subject to the risk of a reduction or loss of income—and who is not in this category?—the present system leaves a dangerous liability. The pay-as-you-earn system would solve these problems without any significant loss of current revenue to the Government."

Public Borrowing Record Impressive

"As in the realm of taxation, Canada's record in the sphere of public borrowing is an impressive one. Canadians have shown a fine response to the war borrowing campaigns, as is indicated by the fact that last year two Victory Loans were floated raising the enormous total of $1,838 millions in new money. By comparison with the experience of the last war and with the record of other countries, this is an achievement in which the people of Canada may take justifiable pride.

"But let us not imagine that it is good enough. More and more saving, through the curtailment of spending, is urgently required. By confining our expenditures to only the necessary minimum, we shall be contributing greatly to the fullest prosecution of the war, and shall also be safeguarding the purchasing power of our money and our savings, and easing the problems of readjustment in the after-war period."

Pays Tribute to United States

ould like this year again to refer to our gallant neighbour, the United States of America. Since December, 1941, the United States has quadrupled her output of arms and has sent her troops in great numbers to the battlefronts across both the Atlantic and Pacific Oceans. An indication of the staggering size of the United States' war programme is conveyed by the fact that it calls for the expenditure of the astronomical sum of $100,000,000,000 in the coming fiscal year, and that in the present fiscal year some $75,000,000,000 will be spent."

E

THE WEEK'S QUOTATIONS

Montreal and Toronto — Week ending Monday close
Winnipeg and Vancouver — Week ending Saturday close

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

STOCKS TRADED THIS WEEK

WEEK ENDING FEBRUARY 1

[illegible]

Mining Stocks

Week Ending February 1

[illegible]

Oil Stocks

High 1942-43	Low	Div. Rate	Jan 30 Yield %	Company	Sales	Last Jan. 30	High	Low	Close
.10½	.05	....	....	Acme G.&O.	1,000	.06½	.07	.07	.07
.16	.05	....	....	Alta. P. C.	6,800	.13½	.14½	.13½	.14½
.20	.08	....	....	Ajax	5,000	.13	.20	.18	.20
.05½	.02	....	....	Anaconda	1,000	.05½	.05	.05	.05
.56	.32	.04	....	Anglo Can.	5,240	.55	.54½	.51	.51
.29	.09	....	....	Br. Dom.	51,300	.23½	.24½	.23	.24
.08½	.04	....	....	Brown Oil	26,900	.07½	.08½	.07½	.08½
1.43	.78	.10	....	Calg. & Ed.	5,550	1.40	1.43	1.35	1.42
.30	.10	....	....	Calmont	24,500	.28	.26	.24	.25
.22	.10	.02	....	Commoil	1,000	.17½	.17	.17	.17
.29	.18	....	....	Com'with	1,000	.25	.24½	.24½	.24½
.40	.12	....	....	Dalhousie	3,210	.38	.38	.34	.35
.17½	.07	.01	....	Davies Pete	13,500	.12½	.13½	.12½	.13
.07¾	.01½	....	....	East Crest.	69,500	.06	.07½	.05½	.07½
1.10	.55	....	....	Foothills	2,800	1.05	1.05	1.00	1.00
.20	.07	....	....	High Sarcee	1,650	.14	.13	.12½	.12½
3.00	2.00	.15	....	Home	21,350	2.96	2.95	2.84	2.94
.07	.02	....	....	Homestead	10,000	.03½	.04	.03½	.04
.02½	.00½	....	....	Madison	5,000	.02½	.02½	.02½	.02½
.02½	.01	....	....	Marjon	5,000	.02½	.02	.02	.02
.08½	.02½	....	....	McD. Segur	8,000	.08½	.08½	.07½	.07½
.07½	.03½	....	....	Mercury	1,500	.07½	.07½	.07½	.07½
.24½	.12	.03	....	Model	1,900	.22	.24½	.22	.24½
.05	.02	....	....	Nordon	1,000	.04½	.04½	.04½	.04½
.03½	.01½	....	....	Oil Select.	1,500	.02½	.03	.03	.03
.55	.20	.02	....	Okalta	13,000	.53	.55	.50	.55
.07	.02	....	....	Pacalta	42,900	.06	.07	.05½	.07
.27	.14	....	....	Pacific Pet.	10,000	.27	.28	.27	.27
.05½	.02½	....	....	Royal Can.	5,000	.04	.04	.03½	.03½
24.00	16.00	1.00	....	Royalite	83	23.75	23.75	23.00	23.50
.05	.02	....	....	South End.	30,500	.04½	.04½	.04	.04½
.09	.03	....	....	Spooner Oils	1,400	.03	.09	.08	.08½
.09½	.06	.03	....	Sunset	3,000	.07	.08	.08	.08
1.60	.70	....	....	Texas Can.	620	.80	.95	.90	.95
.08½	.03	....	....	United Oils.	2,500	.08	.08	.07½	.08
.06	.04	....	....	Vanalta	5,000	.06	.06	.06	.06
.15	.05½	....	....	Vermilata	24,000	.11½	.15	.11½	.13½

* Yield including bonus. † Paid in 1942.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets * Ind & Mines
Feb. 2	15,600	9,700	506,000	......
Feb. 1	11,600	28,300	447,000	......
Jan. 30	11,700	16,700	313,000	31,670
Jan. 29	23,600	11,400	533,000	34,611
Jan. 28	14,200	20,600	317,000	35,700
Jan. 27	32,000	10,200	220,000	16,250

STOCKS NOT TRADED THIS WEEK

[illegible]

Mining Stocks

[illegible]

Oil Stocks

[illegible]

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)
February 2, 1943

[illegible]

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$11.56	11.31	9.30
Hogs	16.91	16.87	15.27
Copper, lb.	*.12	.12	.12
Cotton, lb.	.2146	.2151	.2048
Sugar, raw, lb.	*.0374	.0374	.0374
Wheat, Man. (bu.)	.90⅝	.90⅝	.78½
Coffee, lb.	*.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	101.7	101.6	95.5
Dow Jones (fut.)	89.39	89.40	86.62
Wood, Gundy	78.2	78.2	76.7
Fishers	110.2	110.1	102.5
Monthly Indices			
Canada (D.B.S.):			
Retail (Dec.)	118.8	118.6	115.8
W'sale (Dec.)	97.2	97.1	93.6
U. S. (Nov.)	100.3	100.0	92.5
Gt. Brit. (Dec.)	161.5	161.0	155.0

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price Toronto. Copper - electrolytic, New York, No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat — No. 1 Man. North., Ft. W.-Pt. A. basis. Cotton, raw, spot, N.Y.

*Ceiling prices fixed by the office of Price Administration.

Corporation Bonds (Cont'd)

[illegible]

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

[illegible]

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

[illegible]

Unlisted Mines

Toronto, Feb. 2, 1943

[illegible]

OIL ROYALTIES

Producing Wells — Prices and Payments

[illegible]

Do., No. 8 gr.	325	325	199.60	152.40	132.80	661.20	....
Do., No. 8 dfd.	325	325	....	....	....	......	2,100
Do., No. 9 gr.	350	515	181.60	153.20	153.60	1,014.40	....
Do., No. 9 pfd.	350	515	....	....	....	......	5,000
Do., No. 9 dfd.	350	515	....	....	....	......	2,200
Miracle No. 1 net	385	385	124.27	119.75	121.54	4,704.59	3,800
Do., No. 1 gr.	385	385	170.40	174.00	180.80	4,706.60	....
Do., No. 2 pfd.	220	220	166.62	125.26	141.16	1,291.38	3,200
Do., No. 2 gr.	220	220	149.80	110.80	120.40	842.72	5,000
Renown No. 1 pfd.	90	90	36.78	38.59	39.69	252.31	....
Winalta No. 1 pfd.	80	80	30.80	26.89	31.20	3,461.50	900

*Approximately 25% over dealers' bid prices.
‡Approximate.

Drilling Wells — Prices and Depths

Well:	Drilling depth ft.	Offering price per 1%
Bonaventure pfd.	8,531	....
Bonaventure gr.	8,531	....
Maryland Pete., pfd.	5,840	*$4,375
Major Oil No. 6 pfd.	8,022	5,000
Major Oil No. 6 gr.	8,022	6,500
Miracle No. 3 pfd.	8,250	5,700
Miracle No. 3 gr.	8,250	7,900
Northclonmel No. 1 pfd.	8,850	4,900
Northclonmel No. 1 dfd.	8,850	2,200
Northclonmel No. 1 gr.	8,850	7,300
Northend No. 1 pfd.	8,949	2,700
Northend No. 1 dfd.	8,949	1,600
Northend No. 1 gr.	8,949	4,800
Northend No. 2 pfd.	6,450	2,800
Northend No. 2 gr.	6,450	4,400
National Vulcan No. 1	6,567	*4,375
New Ranchmen's pfd.	1,770	*3,200
Empire pfd. (Ont.)	....	*1,100
Hi-Test Pet. pfd.	....	*3,600
Kinsella Ltd.	....	*2,100

*Pegged price.

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Showing Bid and Asked at Feb. 2, and changes in bids from previous week.

[illegible]

Annual Meetings

1943	Company	Place
Feb. 8	Consol. Fire & Cas.	Toronto
Feb. 8	Federal Fire	Toronto
Feb. 8	Montreal C. & D. Sav.	Montreal
Feb. 8	Real Estate Loan	Toronto
Feb. 8	Wellington Fire	Toronto
Feb. 9	Guar. Co. of N. Amer.	Montreal
Feb. 9	Sun Life Assur.	Montreal
Feb. 9	Canada Bud Brews.	Toronto
Feb. 10	Canada Trust Co.	London
Feb. 10	Huron & E. Mtge. Corp.	London
Feb. 10	London-Can. Ins. Co.	Toronto
Feb. 10	Ont. Loan & Deb.	London
Feb. 10	Tor. Gen. Insur.	Toronto
Feb. 11	Can. Gen. Ins.	Toronto
Feb. 12	Dom. Life Assur.	Toronto
Feb. 13	Imperial Ins. Office	Toronto
Feb. 15	Belding-Corticelli	Montreal
Feb. 17	Brit. Northwest. Fire	Toronto
Feb. 17	Security Nat. Insur.	Toronto
Feb. 18	Dom. Oilcloth & Linol.	Montreal
Feb. 22	Canada Cement	Montreal
Feb. 25	Bell Telephone	Montreal
Feb. 26	Bruck Silk Mills	Montreal
Mar. 10	Woods Manufacturing	Montreal
Apr. 29	Montreal Tramways	Montreal

Municipal Bonds

Feb. 2, 1943

	%	Due	Bid	Ask	Yld. %
†Halifax	5	1961	113.50	116.50	3.77
Hamilton	5	1950	110.25	113.25	3.09
Montreal	5	1945	94.50	97.50	*
Ottawa	4½	1945	104.00	105.50	2.35
†Quebec	5	1959	109.00	112.00	4.00
Saint John	5	1950	105.00	108.00	3.83
†Toronto	4½	1955	117.00	120.00	2.55
†Vancouver	5	1970	104.00	107.00	4.55
Winnipeg	5	1944	100.00	103.00	2.54

†Payable Can. & N.Y. *Flat.

Investment Trusts

	Bid	Asked
Affiliated Funds	2.47	2.70
Can. Int. Trust	4.25	4.75
Can. Invest. Fund	3.50	3.85
Can. Investors	5.00	...
Corp. Investors	5.55	5.95
Trans.-Canada	10.15	10.55

Dividends Declared

	This payment $	Date payable	Date of record
Agnew Surpass	.40	Mar. 1	Feb. 15
Do., pref.	1.75	Apr. 1	Mar. 15
Aluminum	2	Mar. 5	Feb. 17
Do., pref.†	1.50	Mar. 1	Feb. 10
Aunor Gold	.04	Mar. 1	Feb. 13
Bk. Can. Nationale	1.50	Mar. 1	Feb. 15
Bertram & Sons	.15	Feb. 15	Jan. 31
Do., extra	.05	Feb. 15	Jan. 31
Bank of Toronto	2.50	Mar. 1	Feb. 15
Bank of Montreal	1.50	Mar. 1	Jan. 30
Belding Cort., c.	*2	Mar. 1	Feb. 15
Berens River	.03	Mar. 10	Feb. 19
Bathurst Pr. & P. A	.25	Mar. 1	Feb. 5
B. C. Packers	.75	Mar. 15	Feb. 27
Borden Co.	†.30	Mar. 1	Feb. 15
Bruck Silk	▪.10	Mar. 15	Feb. 27
Canada Dry	†.15	Mar. 9	Feb. 24
Can. Wire & Cable A	1	Mar. 15	Feb. 28
Do., (B)	.25	Mar. 15	Feb. 28
Do., pref.	1.62½	Mar. 15	Feb. 28
Canada Vinegars	.10	Mar. 1	Feb. 13
Can. For. Invest. pfd.	▪2	Apr. 1	Mar. 1
Can. Tube&Stl. pd.	▪1.75	Mar. 31	Mar. 24
Canada Starch, pref.	3.50	Feb. 15	Feb. 8
Can. Breweries, pf.	.85	Apr. 1	Feb. 27
Can. Celan. Inc. rts.	1	Mar. 15	Dec. 31
Canadian Oil, c.	.25	Feb. 15	Feb. 1
Cockshutt Plow	.25	June 1	May 15
Cochenour W.	.03	Feb. 16	Jan. 25
Commoil	.01	Feb. 27	Feb. 12
Common with Int'l.	.04	Feb. 15	Jan. 15
Corr. Pap. Box. pf.	1.75	Mar. 1	Feb. 15
Cosmos Imperial	.30	Feb. 15	Jan. 30
Do., extra	.15	Feb. 15	Jan. 30
Crown Cork	.50	Feb. 15	Jan. 30
Corr. Paper Box, p.	1.75	Mar. 1	Feb. 15
Dairy Corp., pfd.	•1.25	Apr. 1	Mar. 15
Dom. & Anglo Inv. p	1.25	Mar. 1	Feb. 15
Dom. Bridge	.30	Feb. 25	Jan. 30
Dom. Scot. Inv., pfd.	.50	Mar. 1	Feb. 22
Dom. Foundries, pf.	1.50	Mar. 1	Feb. 20
Eastern Steel	.25	Mar. 1	Feb. 15
Equitable Life	.15	Feb. 20	Feb. 15
Gen. Steel Wares, pd.	1.75	Feb. 20	Feb. 8
Do., participating	.25	Feb. 20	Feb. 8
Granby Cons.	†.15	Mar. 1	Feb. 11
Hedley Mascot	.02	Feb. 15	Jan. 23
Hollinger Cons.	.05	Jan. 28	Jan. 14
Honey Dew	.50	Apr. 1	Mar. 15
Hallnor Mines	.10	Mar. 1	Feb. 13
Inter. Nickel, c.	†.50	Mar. 31	Mar. 1
Kerr Addison	.05	Feb. 26	Feb. 9
Laura Secord	▪.20	Mar. 1	Feb. 15
Loblaw Groc. Inc.	†.25	Feb. 27	Feb. 12
Leitch Gold	.02+.01	Feb. 15	Jan. 30
Lake of W. Mill.	.30	Mar. 1	Feb. 15
Do., pref.	1.75	Mar. 1	Feb. 15
Loblaw Groc. A, B	.25	Mar. 1	Feb. 10
Melchers Dist. pfd.	.30	Feb. 15	Feb. 1
McIntyre Porc.	.55½	Mar. 1	Feb. 1
Do.,	.55½	June 1	May 1
Mitchell, J. S.	2.50	Mar. 1	Feb. 15
Montreal Loan	.31¼	Mar. 15	Feb. 28
Nat. Biscuit	†.30	Apr. 15	Mar. 12
Do., pref.	†1.75	Feb. 27	Feb. 9
Noranda Mines	1	Mar. 15	Feb. 20
N. S. Light & Pr. p.	1.50	Mar. 1	Feb. 13
Ont. Silknit fd. rts.	1	Feb. 15	Dec. 31
Ontario Steel	.25	Feb. 15	Feb. 8
Do., pref.	1.75	Feb. 15	Feb. 8
Privateer Mine	▪.02	Feb. 10	Jan. 25
Penmans	.75	Feb. 15	Feb. 5
Paton Mfg.	1	Mar. 15	Feb. 28
Do., pref.	1.75	Mar. 15	Feb. 28
Photo Engravers	.50	Mar. 1	Feb. 15
Quebec Power	.25	Feb. 25	Jan. 26
Royal Bank	1.50	Mar. 1	Jan. 30
Rolland Paper	.15	Feb. 15	Feb. 5
Do., pref.	1.50	Mar. 1	Feb. 15
Remington Rand	†.25	Apr. 1	Mar. 10
Do., pref.	†1.12½	Apr. 1	Mar. 10
Senator Rouyn	•.03	Feb. 20	Feb. 1
Shawinigan W. Pr.	.23	Feb. 25	Jan. 25
Siscoe Gold	.01½	Mar. 15	Feb. 12
Silverwoods	.20	Apr. 1	Feb. 27
Do., pref.	.20	Apr. 1	Feb. 27
South. Can. Pwr.	.20	Feb. 15	Jan. 20
Stuart Oil, pfd.	.20	Mar. 1	Feb. 15
Sullivan Cons.	.03	Mar. 15	Feb. 15
Toburn Gold	.01	Feb. 22	Jan. 22
Tamblyn, G.	.20	Apr. 1	Mar. 12
Do., pref.	.62½	Apr. 1	Mar. 12
United Corp. A	.38	Feb. 15	Jan. 15
United Distillers	.10	Feb. 11	Jan. 9
Upper Can. Mines	.02½	Feb. 27	Feb. 12
Waite Amulet	.15	Mar. 10	Feb. 13
Walker-Good.	.1	Mar. 15	Feb. 19
Do., pref.	.25	Mar. 15	Feb. 19
York Knitting, pfd.	3.50	Feb. 15	Feb. 6
Do., 2nd pref.	3.50	Feb. 15	Feb. 6
Do., com.	.20	Feb. 15	Feb. 6

†N. Y. funds. ▪Subject to approval of Foreign Exchange Control Board. *Extra. •Initial.

DIVIDEND NOTICES

LOBLAW GROCETERIAS CO. LIMITED

NOTICE is hereby given that a quarterly dividend of 25 cents per share on the Class "A" shares, and a quarterly dividend of 25 cents per share on the Class "B" shares of the Company have been declared for the quarter ending February 28th, 1943, payable on the 1st day of March, 1943, to shareholders of record at the close of business on the 10th day of February, 1943. The transfer books will not be closed. Payment will be made in Canadian Funds.

By order of the Board.

R. G. MEECH, Secretary.

Toronto, January 29th, 1943.

Banque Canadienne Nationale

Quarterly Dividend

NOTICE is hereby given that a dividend of one and a half per cent (1½%) (being at the rate of 6% per annum), has been declared by the Directors of the Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 27th day of February, 1943. This dividend, bearing the number 208, will be payable at the Main Office or at the branches of the Bank, on or after the first day of March, 1943, to the shareholders of record on February 15th.

By order of the Board,

CHARLES ST-PIERRE, General Manager.

Siscoe Gold Mines Limited

NOTICE OF DIVIDEND No. 44

Notice is hereby given that a Dividend of One and One-Half Cents (1½c) per share on the issued Capital Stock of Siscoe Gold Mines, Limited, has been declared payable on March 15th, 1943, to shareholders of record at the close of business on the 12th day of February, 1943.

By Order of the Board,

H. E. GREEN, Secretary-Treasurer.

Montreal, January 28th, 1943.

BRITISH COLUMBIA PACKERS LIMITED

NOTICE is hereby given that the Directors of British Columbia Packers Limited have declared a dividend of 75 cents per share, payable by cheque to be issued at Vancouver, on 15th March, 1943, to shareholders of record at the close of business on February 27th, 1943.

Shareholders holding certificates in "street" form are requested to surrender such certificates to the Company's transfer agents, The London & Western Trusts Company Limited at its office in Toronto or Vancouver, or the Chartered Trust and Executor Company at its office in Montreal, so that they may become registered as the owner of such shares on or before 27th February, 1943.

NOTICE is hereby also given that the Company's Register of Transfers maintained at the office of the London & Western Trusts Company Limited in the City of Vancouver, B.C., and the Company's branch Registers of Transfers maintained respectively at the office of The London & Western Trusts Company Limited in the City of Toronto and at the office of Chartered Trust and Executor Company in the City of Montreal will be closed from and including the 1st day of March to and including the 6th day of March, 1943.

DATED at Vancouver, B.C., this 23rd day of December, 1942.

By Order of the Board,

A. HAMILTON, Secretary.

DIVIDEND NOTICES

Hallnor Mines Limited

(No Personal Liability)

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of Ten Cents (10c) per share, payable in Canadian funds, has been declared by the Directors of HALLNOR MINES LIMITED (No Personal Liability), payable March 1, 1943, to shareholders of record at the close of business February 13, 1943.

By order of the Board,

J. R. BRADFIELD, Secretary.

Toronto, Ont., January 29, 1943.

Montreal Tramways Company

ANNUAL GENERAL MEETING

NOTICE is hereby given that in accordance with the By-laws of the Company, the Annual General Meeting of the Shareholders of MONTREAL TRAMWAYS COMPANY will be held at the Company's Offices, Tramways Building, 159 Craig Street West, Montreal, P.Q., at 12 o'clock noon, on Thursday, the 29th day of April, 1943. This meeting will be held for the reception of the Annual Report, Election of Directors, and the transaction of such other business as may legally come before said meeting.

The Transfer Books will be closed from the 9th day of April, 1943, to the 28th day of April, 1943, both days inclusive.

By order of the Board,

PATRICK DUBEE, Secretary-Treasurer.

Montreal, January 26th, 1943.

Upper Canada Mines Limited

(No Personal Liability)

DIVIDEND NO. 11

Notice is hereby given that an interim dividend of two and one-half cents (2½c) per share has been declared on the outstanding capital stock of the Company, payable in Canadian Funds on February 27th, 1943, to shareholders as of record at close of business February 12th, 1943.

By Order of the Board,

G. F. SUMMERS, Secretary-Treasurer.

Toronto, January 28th, 1943.

General Steel Wares Limited

DIVIDEND NOTICE

Notice is hereby given that a fixed cumulative dividend of $1.75 per share, being at the rate of 7% per annum in respect of the three months period commencing on the 1st day of November, 1942, and ending on the 31st day of January, 1943, and a cumulative participating dividend of twenty-five cents per share in respect of the year 1942, have been declared on the outstanding 45,000 shares of 7% Cumulative Participating Preferred Stock of a par value of $100.00 each of General Steel Wares Limited, payable on the 20th day of February, 1943, to shareholders of record at the close of business on the 8th day of February, 1943.

By Order of the Board,

FRANK S. BROPHY, Secretary.

Montreal, January 28th, 1943.

WAITE AMULET MINES, LIMITED

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of Fifteen Cents (15¢) per share, payable in Canadian funds, has been declared by the Directors of WAITE AMULET MINES, LIMITED, payable March 10, 1943, to shareholders of record at the close of business February 13, 1943.

By order of the Board.

J. R. BRADFIELD, Secretary.

Toronto, Ont., January 28, 1943.

"CANADA DRY"

Dividend Notice

At the meeting of the Board of Directors of Canada Dry Ginger Ale, Incorporated, a Delaware Corporation, held January 26, 1943, a dividend of fifteen cents (15¢) per share was declared, payable March 9, 1943, to stockholders of record at the close of business, February 24, 1943.

W. J. WILLIAMS, *Secretary*

Canada Steamship Lines, Limited

To the holders of Fractional Certificates for Preference Shares of the par value of $50.00 each and common shares of no par value.

In accordance with the terms of the issue of the above described certificates, The Royal Trust Company has sold the shares of Preference Stock and No Par Value Common Stock of Canada Steamship Lines, Limited which it held on 2nd January, 1943 In Trust for the Holders of the said certificates.

The Holders of said certificates should, therefore, forward them to The Royal Trust Company, 105 St. James Street, West, Montreal, in order that they may receive payment of the amount to which they are entitled.

R. BROCK THOMSON, Secretary.

Montreal, February 2nd, 1943.

Lake of the Woods Milling Company Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN THAT a dividend of 1¾% has been declared on the Preferred shares of the Company, payable on March 1st, 1943, to shareholders of record at the close of business on February 15th, 1943.

By order of the Board,

D. A. MacINNES, Secretary.

NOTICE IS HEREBY GIVEN THAT the regular quarterly dividend of 30 cents per share has been declared on the outstanding shares of the Common Stock of the Company, payable on March 1st, 1943, to shareholders of record at the close of business on February 13th, 1943.

By order of the Board,

D. A. MacINNES, Secretary.

Borden's

COMMON DIVIDEND No. 132

An interim dividend of thirty cents (30¢) per share has been declared on the outstanding common stock of this Company, payable March 1, 1943, to stockholders of record at the close of business February 15, 1943. Checks will be mailed.

The Borden Company

E. L. NOETZEL, *Treasurer*

Ottawa Angers Farm Group

Timing of Wheat Announcement Fans Tempers

From Our Own Correspondent

WINNIPEG. — The Canadian Federation of Agriculture at its recent annual meeting in Calgary was not pleased by the announcement made at Ottawa of the government's grain policy for the crop year 1943-44.

It was not any detail of the policy which aroused the anger of the delegates, but the failure of the government to await information on the federation's views, then in the process of being formulated.

A discussion of the wheat problem was under way when afternoon papers were brought into the convention hall containing the announcement.

It is said that through misunderstanding, western members of the government were under the impression that the federation had no representations to make, after having been called in last December to discuss details of the whole agricultural programme for 1943.

Ask $1 Wheat

Primary difference between what the federation is asking and what the government has done is that the federation is repeating its request of last year for a guaranteed minimum wheat price of not less than $1 per bushel, basis No. 1 northern at lakehead or Vancouver terminals.

The government made the price last year 90 cents, and announced the same price for the coming crop year. As to deliverable quantities of wheat the federation asks for just what the government has promised, that the total shall be no less than the quantity for the current crop year, 280 million bushels.

It is the federation's idea, as the government's, that farmers should be allowed to deliver old crop wheat against quotas of the new crop year. From this there follows naturally the statement that no farmer will be able to deliver next year more than 14 bushels for each "authorized" acre. The authorized acreage is in most cases 65% of the acreage seeded to wheat in 1941.

The federation asks for something more than $1 wheat, in stipulating that no wheat for domestic use should be sold for less than $1.35 per bushel. Such wheat is currently provided to millers on the basis of 78 cents per bushel, in order to keep flour at the ceiling level, the difference between that price and 90 cents a bushel being absorbed by the government as a subsidy to bread consumers.

The federation asks among other things, for revival of payment for farm storage, which the government states, is to be abandoned on the ground that such payment would interfere with regulation and control of deliveries by the Wheat Board.

Transfer Payments

There does not appear to be any request by the federation for continuance of the payments for transferring former wheat acreage to summer fallow, oats and barley, which the government is going to continue at a cost of $20 millions or so, and which apparently might have been discontinued without protest.

Offsetting that amount against the $28 millions which it would cost to raise the basic wheat price from 90 cents to $1 per bushel, the difference does not appear to be so great as to lead to much trouble.

There is, however, more to be considered. Western wheat growers are commencing to be more keenly conscious of the disabilities under which they labor because of limited deliveries two years in succession. At 14 bushels per acre the average grower's wheat revenue, on the present price basis, is limited to something less than $11 per acre on authorized acres, and under $8 per acre on his old wheat acreage.

Wheat growing cannot be anything but unsatisfactory under such limitations, and only those farmers who have other crops or livestock to supplement their income can be cheerful about the situation. The farmer knows it is useless to object to limited deliveries, so his annoyance must be concentrated on the price question.

Oats and Barley

Continuance of present guaranteed prices of oats and barley, promised by the government, might have given satisfaction, had it not been that the market, under stimulus of demand from the United States, has been bumping the price ceilings. The federation asks for some adjustment to enable farmers to get the benefit of prices available south of the border. Theoretically, price ceilings do not apply to commodities exported, but actually the ceilings bear down on the whole price structure.

The federation wants an increase in the guaranteed price level for flax from $2.25 to $2.50 per bushel, and is apparently prepared to take issue as to the number of acres which should be seeded, contending that an increase is desirable, even if flax has to be put in storage for a time until the crushers can deal with it.

Labor Problem

Had it not been for the federation's annoyance with the government's procedure, which was interpreted as willingness to ignore representations of organized agriculture, it could have been said that interest of the meeting was largely centred in the problem of farm labor. It was emphasized over and over, and from all parts of Canada, that scarcity of labor is interfering with farm production, and that instead of the desired expansion in many commodities, reduction is probable unless a greater labor supply can be obtained.

When the executive of the federation visits Ottawa to put a case before the government, it is likely that farm labor will take precedence over all other problems under discussion.

Alta. Pacific Stock Sought

Federal Grain Makes Cash Offer Through Subsidiary

From Our Own Correspondent

MONTREAL.—Algoma Grain Securities Ltd., subsidiary of Federal Grain Co., has made an offer to purchase the preferred and common shares of Alberta Pacific Grain at a price of $115 and $3 a share, respectively.

The offer is open until March 10, when the purchaser is bound to take the shares deposited if the holders of 65% of the preferred shares have accepted the offer by that date. If the holders of less than 65% accept the offer, the purchaser may, but is not obliged to take the shares deposited. Deposits of shares for sale are to be made with the Royal Trust Co. offices in Canada and London.

In a letter to shareholders, J. R. Murray, president of Alberta Pacific Grain, said the directors recommend the sale.

The position of the company, said Mr. Murray, is that in any sale the total claim of the preferred shareholders would amount to $5,775,000, made up of $3 millions return of capital and $2,775,000 arrears of dividends and premiums due on liquidation.

The letter to shareholders states: "This claim would have to be met before the common shareholders could receive anything whatever for their shares. The directors see no possibility that a sale could be made at a price which would be sufficient to meet the claim of the preferred shareholders."

It adds that "your directors see no prospect" that $2,625,800 arrears of preferred dividends "could be earned and the current dividend maintained."

Mr. Murray states the board has considered future possibilities for common shareholders if the company continues in business. He suggests that a reorganization, in which preferred shareholders would probably demand the major share of the common stock in lieu of arrears may be the only alternative to completion of the proposed sale. He adds that the board can give no long-term forecast of earnings due to the uncertainties of the postwar years.

DIVIDEND NOTICES

Noranda Mines, Limited

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of One Dollar ($1.00) per share, payable in Canadian funds, has been declared by the Directors of Noranda Mines, Limited, payable March 15, 1943, to shareholders of record at the close of business February 20, 1943.

By order of the Board.

J. R. BRADFIELD, Secretary.

Toronto, January 29, 1943.

CANADA WIRE & CABLE COMPANY

DIVIDEND NOTICES

PREFERRED DIVIDEND NO. 56.

TAKE NOTICE that the regular quarterly Dividend of $1.625 per share, on the outstanding Preferred Stock of the Company for the three months' period ended 28th February, 1943, has been declared as Dividend No. 56, payable 15th March, 1943, to shareholders of record at the close of business 28th February, 1943.

CLASS "A" DIVIDEND NO. 30.

ALSO TAKE NOTICE that a Dividend of $1.00 per share on the outstanding Class "A" Common Shares of the Company has been declared as Dividend No. 30, payable 15th March, 1943, to Shareholders of record at the close of business 28th February, 1943.

CLASS "B" DIVIDEND NO. 20

ALSO TAKE NOTICE that an Interim Dividend of 25 Cents per share on the outstanding Class "B" Common Shares of the Company has been declared as Dividend No. 20, payable 15th March, 1943, to Shareholders of record at the close of business 28th February, 1943.

By Order of the Board.

A. L. SIMMONS, Secretary.

Toronto, 1st February, 1943.

Ration Bank For Coupons

From Our Own Correspondent

MONTREAL. — Ration coupon banking for dealers in certain commodities will become effective March 1, according to L. B. Unwin, Ration Administrator for the Wartime Prices and Trade Board. Consumers in no way concerned or affected by the new system, in which all banks will co-operate.

According to the new order, the banks will take over the handling of the "paper" in connection with rationing. Deposits of coupons will be made with the banks instead of branches of the W.P.T.B. Those who have coupon accounts will be able to deposit ration documents with the banks where they deal.

Cover Four Commodities

Sugar, butter, tea and coffee are covered by the system. Dealers in foods, such as jobbers, brokers, wholesalers, creameries and cheese factories, importers of tea and coffee, as well as retailers whose nonperishable monthly gross sales of food exceed $5,000, will be required to open ration accounts March 1.

Those who do not operate ration bank accounts will take their documents to the banks where they deal and exchange them for a banking transfer voucher in favor of the suppliers.

Introduction of the system, which operates both in Britain and the United States, will mean abolition of the "replacement certificates" formerly used to obtain supplies.

Brazilian Net Points Higher

Earnings of Brazilian Traction Light & Power Co. and its subsidiaries increased over $1.8 millions in 1942 to total better than $24.8 millions. Net profit of the parent company in 1941 equalled $1.87 per share. If the increase in earnings of the combined system should be carried through it would mean that Brazilian would show a net of around $2.14 a share.

During 1942 the company reported monthly earnings consistently ahead of those for the same months of the previous year. December continued this trend with a gain in net earnings of $182,687.

	1942 $	1941 $
December		
Gross earnings	4,026,133	3,748,632
Operating expenses	1,859,913	1,765,099
Net earnings	2,166,220	1,983,533
12 Months Ended December		
Gross earnings	46,570,250	42,770,608
Net earnings	24,859,747	23,033,740

C.S.L. to Distribute Warrant Proceeds

Holders of fractional certificates for preferred and common shares of Canada Steamship Lines, issued under the 1936 reorganization plan, have been informed that the shares have been sold and they can receive payment by applying to the company.

Under the plan, the distribution of preferred and common shares provided for the issuance of fractional certificates. At that time the company said the fractional shares would be issued, but that it would turn over to the trustees sufficient shares to equal the aggregate number of all fractions required.

The Business Of Farming

By GORDON L. SMITH

A rural friend of ours argues that because the farmer's occupation keeps him out of touch with other people he has not made a good job of selling himself or his problems to the general public. As a result, he says, "there has grown up in our cities a generation of people, including businessmen, who do not know or understand our farming population. He has had a very hard struggle since 1929 and many of our city people think he is mean and stingy when as a matter of fact he has had to watch the expenditure of every cent of money to keep himself out of bankruptcy. The fact that at one time a farm was prime mortgage security for mortgage companies and now they won't look at them, bears this out."

Farmers Can Speak

Frankly we are inclined to be a little sceptical. As for the misunderstanding of farm problems in certain urban quarters there can be no doubt, but it is not due to the farmers inability to express himself. A great percentage of our politicians, and many of our most successful professional men, hail from the farm. There is no question about their public speaking ability.

The real trouble more likely traces to the fact rural and urban business people do not meet frequently enough and in situations where they could discuss each others problems.

Luncheon and service clubs even in the smaller places, are almost always confined to urban business people. Perhaps when the war is over and gasoline and tires become plentiful again, there will be a real effort made on the part of these clubs, to attract more farm members and speakers.

Farm Mortgages

In regard to the decline in popularity of farm mortgages our friend's explanation is likewise not too convincing. True a drop in farm earning power is one of the reasons but not the only one. Fully as important was the disturbing effect of various government debt reduction schemes. Aside altogether from the necessity of such, they upset this particular mortgage field because no investor in a farm mortgage could be sure of a stable return.

And incidentally this was not a question of urban versus rural interests because in a great many parts of Canada, and especially in the eastern half, the majority of farm mortgages have always been held by retired farmers.

Drafting Marginal Farmers

The suggestion that the production problem might be partly solved by removing farmers from so called "marginal" land and requiring them to work on better farms and presumably under orders, is not received well by a correspondent from Elmsdale, N.S. He writes:

"How many of these would be old people? How many of these partial production farms can regulate their production to have exactly one dozen eggs a week and a quart of milk a day just for themselves. Impossible! There must be some overlap they have to get rid of and likely as not it is bigger now due to their patriotism.

How many of these will be willing to be shunted out of their own homes and work for someone else after years of working for themselves. No thought has been given to this dislocation. The individual effort of farming means many diversified ways of farming, we do not always agree on the methods of a neighbor."

Our Gloomy Coal Picture

(Continued from page 9)

country to help us out of our wartime coal-hole. There is the possibility that at any time U. S. supplies may be threatened by strike. In that case our lot would be desperate.

Through co-operation of army officials, coal miners who enlisted or were drafted into the forces are being given the opportunity to return to the mines. Several hundred have already returned to work in the west, more are expected. In the east there are probably 500 or 600 men who are in the army, and who may be persuaded to return.

Workers Decrease

Monthly figures show that in Jan., 1942, there were 21,705 underground workers in Canada's mines and 5,306 surface employees. Production of coal per man per day was 2.9 tons, or a total of about 1,920,000 tons.

By September (low month for the year) the number of underground workers had dropped to 17,666 or by about 18%. Production per man had declined to less than 2.7 tons per man day.

There was a slight pick-up in production and number of workers in October, but the record shows that the Canadian mines are badly in need of the manpower they have lost to industry and to the armed forces in the past year if they are to produce even the low estimate of tonnage which has been put down as the tentative Canadian output for 1943.

Bituminous production goal for Canada in 1943-44 is 17.5 million tons. This compares with earlier years as follows: 1942-43, 17.5 million tons; 1941-42, 18.3 million tons; 1940-41, 17.6 million tons.

Against these tonnages it must be remembered that the demand for bituminous coal in Canada has risen from 29.7 million tons in 1940-41, to an estimated figure of 41,450,000 tons in 1943-44.

The figures in each case are for "coal" years which correspond with Canada's fiscal year, and end on March 31.

The following table shows approximately how this bituminous will be used as compared with the current year and 1940-41:

Canadian Bituminous Coal Consumption
(Net Tons)
(000 omitted)

	1943-44 (Est.)	1942-43*	1940-41
Retail sales	8,030	7,474	6,694
Indus. consumption	11,671	9,997	7,238
Rly. consumption	12,060	11,343	8,581
Coke & gas mfg.	5,793	5,035	4,563
Bunkers	1,498	1,482	1,272
Colliery consump'n	1,200	1,100	900
Exports	1,200	950	484
	41,452	37,381	29,733

*Partially estimated.

One reason for the increase in consumption is the step-up in export demand. Canada is now servicing not only Newfoundland, but also an almost equally amount of tonnage to western United States. Next year, it is estimated that Canada will be required to ship about 500,000 tons to Newfoundland; 600,000 tons to the western States and possibly 100,000 tons to Maine.

These shipments are an important quid pro quo which Canada is expected to maintain in return for the treatment which we receive at the hands of U.S. suppliers, on whom we depend so largely for anthracite and bituminous in the central and industrial areas. Of the total estimated consumption of 41.5 million net tons in 1943-44 Canada hopes to import 24¾ million tons from U. S.

Anthracite Needs

For 1943-44, our total requirement of anthracite coal is estimated at 5.5 million net tons. This is only slightly higher than our requirement of last year but compares with only 3.6 million tons of U. S. anthracite consumed in 1940-41. The increase is accounted for by higher retail sales.

For 1943-44, it is expected that imports from Great Britain will be about the same as last year, namely 400,000 tons. In 1941-42 we bought 650,000 tons of anthracite from Britain and in 1940-41 about 1.2 million tons.

Here again the burden is thrown back on the United States with estimated imports from that country in 1943-44 placed at over 5 million tons.

Thompson-Lundmark Gold Mines realized an operating profit of $346,506 in 1942 before allowance for taxes, depreciation and deferred development. This profit was realized from production of 22,578.62 ounces of gold, recovered from 37,765 tons of ore milled. Underground development of the Kim vein on the 600-ft. level has recently been continued and developed an ore shoot. Raising from the bottom or 750-ft. level on the Fraser vein has been giving encouraging results and further exploratory work on this vein is to proceed, it is stated.

Wheat Prices

Winnipeg Grain Futures

Week of Feb. 1, 1943

Crop year from Aug. 1, 1942 High	Low		High for week	Low for week	Close Feb. 1
		Wheat			
.94	.92⅝	May	.92⅝	.92⅝	.92⅝
		Oats			
.51½	.45⅝	May	.51⅛	.51¼	.51⅛
.51⅝	.47⅝	July	.51⅛	.50¼	.50⅝
		Barley			
.64½	.60¾	May	.64½	.63⅞	.64⅛
.64	.62⅞	July	.63¾	.62⅞	.63⅛
		Rye			
.66⅞	.56¼	May	.66⅝	.66⅝	.66⅝
.66⅝	.68	July	.66⅝	.66⅝	.66⅝

Cash Quotations

	For Week Feb. 1 High	Low	Prev. Week High	Low
Wheat				
1 Nor.	.90½	.90⅜	.90⅜	.90¼
2 Nor.	.87⅛	.87	.87⅛	.87
3 Nor.	.83⅜	.83⅜	.83⅜	.83⅜
4 Nor.	.80⅜	.80¼	.80¼	.80⅛
5 Wheat	.77½	.77	.76⅞	.75⅞
6 Wheat	.74¾	.74⅝	.75¼	.74⅝
Oats:				
2 C. W.	.51⅛	.50⅝	.51⅛	.50⅛
3 C. W.	.51	.49⅞	.51	.49⅝
Barley:				
1 Feed	.62⅛	.60⅝	.63	.60⅛
2 Feed	.61⅝	.59⅝	.62⅛	.60⅛
Rye:				
2 C. W.	.65⅝	.65⅛	.65⅝	.65⅝

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Golds Up 50% In Four Months

TSE Index Pierces June, 1942, High on Heavy Volume

A price upswing of more than 50% in less than four months time up to Feb. 1 is the record hung up by Canada's gold mining market, according to the Toronto Stock Exchange index of 20 golds.

While there may have been greater increases in total market value in the past, it appears doubtful if a similar percentage rise has ever taken place in golds in such a limited time as that which has carried the TSE index from an all-time low of 50.16 on Oct. 20, 1942, (occasioned by the "gold scare," to the high of 77.58 last Monday.

Reflects Better Feeling

During this period there has been no substantial improvement in the operating position of gold mining companies generally. In fact, they probably have fewer men, less materials, than they did last October.

But the international situation has changed for the better, the war may be considerably shorter than appeared at one stage, and investors are apparently willing to bid up stocks on these considerations. Gold is being looked to more and more as a bulwark for postwar rehabilitation. This has served to reinforce investor confidence.

Gold stocks have not yet returned to a wartime high of 100.84 set on Sept. 19, 1941, but they are now within 23 points of it.

The Market's Record

Hit by labor and supply difficulties and closure of a number of smaller gold producers, the gold mining market had skidded from 100.84 on Sept. 19, 1941 to a low of 62.19 on April 14, 1942. The gold mining market then moved "sideways" reaching a further extreme low of 61.04 on April 28, 1942, on that move.

By May 11, the TSE gold index had moved up to 63.16 and some say the "turn" in the market generally came at that time although golds were to reach their lowest levels the following October. By June 9, 1942, the primary recovery move had carried the golds up to 73.32; after that came the "gold scare" decline to 50.16 on Oct. 20.

Gold High Priced

The index at 77.58 on Feb. 1 is now more than four points above the high of 73.32 on the primary phase of the current recovery. While some stock market followers have been dubious of the ability of the gold market to "follow through," due to the substantial rise which has already taken place, others are pointing to the way the gold mining average has passed the June, 1942, peak, on volume trading, and are suggesting that even higher levels are a possibility.

Strength in the stock market generally originated in the gold mining issues, spread to the base metal stocks and industrials. Some commentators are pointing out that the gold mining industry may be in a position to go ahead more rapidly than others when peace does return, and the sequence of the rises in various stock groups can be considered "normal."

Mining INVESTMENTS

Kerr-Addison's spectacular rise to $5.70 a share has not only meant increased investment portfolio values for private investors, but has added millions of dollars to investment holdings of several large mining companies which possess blocks of stock.

For instance, Noranda Mines is understood to hold approximately 600,000 shares and an increase of $2 a share in the price of Kerr-Addison stock means an extra $1.2 millions market value of investments for Noranda. To Anglo-Huronian, Kerr-Addison's rise is perhaps even more important. Back in 1941, Anglo-Huronian held 400,000 Kerr-Addison shares and there were reports Anglo-Huronian also controlled Proprietary Mines, which holds over a million Kerr-Addison shares.

The rise in Kerr-Addison stock has been paralleled by a mark-up in Anglo-Huronian shares, while the stock of Proprietary Mines has also pierced the $5 a share mark for the first time.

* * *

The rise in the golds can be very significant for the future opening up of new gold mines, it is thought. When the prices of existing gold producers have been pushed up to a level where returns are relatively small, then prospecting for gold mines and exploration of new showings regains its attractiveness. With higher share prices, there is a larger quantity of money available for this work.

Of course, under existing war conditions, exploration of new gold mining projects is entirely out of question.

But when the war ends, if gold stock prices are relatively high, a real interest will exist in opening new properties.

Recent weeks have witnessed a substantial rise in such issues as Queenston and National Malartic—likely producers for the postwar period — and investors are apparently already looking forward to mine-making possibilities.

* * *

Uchi Gold Mines' decision to suspend operations and liquidate for the benefit of bondholders hardly comes as a surprise. President Jack Hammell left no stone unturned in trying to establish the producer as a profitable operation—advanced an extra $350,000 of his own money trying to work things out—but efforts were unavailing. While bondholders may lose some money, Mr. Hammell himself will be the largest loser—he has a personal investment of $827,005. He justified his personal faith in the company by ample financial backing and shareholders may rest assured a thorough investigation was made—by three engineers and geologists—before the final decision to close was made.

Operations could have been carried to greater depths and production continued for a time, but this, it was felt, would mean dissipation of the assets available to bondholders.

HEADS EXCHANGE

J. J. Hoppes, export manager of James Richardson & Sons, Ltd., who has been elected president of the Montreal Corn Exchange Association.

Uchi Decides To Suspend

Assets Turned Over For Benefit of Bondholders; Good Payment Possible

The end of the road has been reached at Uchi Gold Mines. With ore exhausted in present workings, and three experts advising against a $250,000 depth programme for which there was no assurance of a return of capital, the management has decided to discontinue operations, and all assets have been turned over to the Trusts & Guarantee Co. for benefit for bondholders.

Before the decision to suspend, a thorough programme of diamond drill exploration to depth was carried out. While approximately 191,000 tons of $4.10 cut grade ore was indicated across an average width of 14.5 ft., the two outside engineers, Dr. W. F. James and John A. Reid, concurred with the company's own geologist, Dr. E. G. Bishop, that this tonnage was not of "such a nature and grade as to give reasonable certainty of the recovery of funds spent on such work."

$320,000 Working Capital

For an unsuccessful gold mining operation, Uchi will be able to make a rather substantial distribution to bondholders as a result of the decision taken.

Balance sheet as at Nov. 30, 1942, showed working capital of approximately $320,000, including supplies. This should be increased by the final mill clean-up expected about the end of this month.

A distribution of over $30 per $100 of bonds is indicated from this. It will be recalled that allowing for the market value of bonus stock receipts, bondholders paid approximately $60 to $65 for each $100 par value of bonds.

Due to the active demand for mining machinery just now, $350,000 or $400,000 would not be out of the way as a sale price for the efficient 700-ton mill now on the property, it is thought. Allowing for cost of freighting out the mill, which might be $80,000, a total distribution of $60 to $65 per $100 bond appears possible.

The Week in Oils

From Our Own Correspondent

CALGARY.—The outlook for the far north extension of Turner Valley took a turn for the better this week when the Bonaventure Royalties No. 1 test, 2¼ miles north and west of the current "proven limit," confirmed the Dalhousie sand marker at 8,500 ft.

If the well logs normally, the Madison limestone should be reached around 8,900 ft. Because of the high surface elevation at Bonaventure (4,736 ft. above sea level), lime at 8,900 ft. would be only 4,164 ft. below sea level. This would be only a few feet lower than the lime contact at Atlas-British Dominion 2, the field's current most northerly oil producer, and some 245 ft. higher than the lime contact at the current deepest producer, Home Millarville 12.

* * *

Can't Predict Contact

Just what the Bonaventure lime contact will be, of course, cannot be predicted accurately in advance. Thinning of the formation may bring the contact above 8,900 ft. On the other hand, faulting might throw it deeper.

In any case, the confirming of the Dalhousie sand came as a very pleasant surprise to the oil industry. The well's last previous marker was a grit bed repeat at 6,720 ft. The next anticipated marker, the Home sand (at the top of the lower Blairmore formation), never did show up, and the outlook for the well gradually darkened. Then, in the samples from 8,440 ft., geologists confirmed lower Blairmore formation, indicating that this formation had been entered without the usual Home sand being present. At 8,500 ft., the Dalhousie sand, which marks the top of the Kootenay formation, was confirmed. The normal interval from this marker to the top of the Madison lime is around 400 ft.

Bonaventure has thus suddenly become one of the most important drill-tests in Canada. It has opened the prospect of an additional extension of 2¼ miles to the oil-productive area of Turner Valley. If completed successfully, numerous locations in "virgin" territory will be made available for drilling. Bonaventure is located in L.S.D. 16 24-21-4w5.

* * *

New Saskatchewan Test

Location of the new Norcanols Oil & Gas Co. test in southern Saskatchewan was announced this week. The well, to be known as Norcanols-Ogema No. 1, will be drilled in L.S.D. 4 24-7-23w2, 24 miles west and four miles north of the Norcanols-Radville No. 1 venture, recently abandoned because a series of mechanical problems prevented further or adequate testing of limestone prospects.

The Norcanols programme is backed jointly by Imperial Oil, the Canadian Western Natural Gas Co. and Osler & Nanton Ltd. The rig from Radville is now being assembled at the Ogema site, and spudding is expected to take place in the near future.

Dewaters Vermilion Crude

Oil from the Vermilion oilfield reacted perfectly to tests carried out last week to electrically dewater petroleum, according to word from the field. This method may be used when the Cannar Oil Co. (Canadian National Railways) programme starts in the Vermilion field in the early spring.

These scientific tests were carried out for several days on a miniature plant set up by C. W. Fornes, of the Petroleum Rectifying Co. of California. This particular process is known as the Peteco system. Mr. Fornes is of the opinion that the "gratifying reaction of Vermilion crude to these tests would mean all the difference between the Vermilion oilfield operating and not operating."

It is said that this method of dewatering Vermilion oil is more efficient than the steam and acid system previously employed and considerably cheaper.

Kerr-Addison Profits Lower

While tonnage of ore milled showed little change and operating costs dropped $50,000, Kerr-Addison Gold Mines showed a decline in earnings the last quarter of 1942 due to treatment of a lower grade of ore. Estimated net profit for the quarter was $548,225 or 11.6 cents a share compared with $627,140 or 13.2 cents a share the preceding quarter.

Production for the period was $1,440,653 from 190,272 tons of ore, an average recovery of $7.57 a ton. This compared with $1,591,651 from 194,591 tons of ore and average recovery of $8.18 a ton the preceding three months.

Loses Men To Inco

Sinking of the main No. 3 shaft was stopped at 2,826 ft. Development of the eight new levels will be undertaken when labor conditions permit, it is stated. During the quarter 11 men entered the armed forces and 35 went to International Nickel through arrangements with N.S.S.

Development during the fourth quarter was limited, due to labor shortage but President J. Y. Murdoch reports it resulted in:

(a) Satisfactory additions to No. 21 ore body on the 1,450-ft. level, east of the shaft, and

(b) Revealed the existence of an important new ore body on the 1,450-ft. level, west of the shaft and south of the main fault.

Better Quarter For McIntyre

An estimated net profit of $783,061 or 98 cents a share was realized by McIntyre Porcupine Mines the three months ended Dec. 31, 1942, compared with $680,781 or 85 cents a share the preceding quarter. Decreases in operating costs and taxes were chiefly responsible for the improved showing.

Earnings for the nine months ended Dec. 31, 1942, total $2.88 a share compared with $3.09 a share for the corresponding period of 1941. It is understood that shortage of labor is chiefly responsible for the decline.

Davies & East Crest Outline New Plans

Join in Developing Big Athabasca Block Where Old Well Found Oil

Plans were announced this week under which East Crest Oil joins with Davies Petroleum for development of a block of over 54,000 acres in the Athabasca area, Alberta, covering an area where the Atha No. 2 well, drilled in 1933, found oil but was abandoned after financing difficulties.

The agreement between the Davies and East Crest gives each a 50% interest in the total acreage and each company is to provide half the money for drilling of wells. Davies Petroleum is putting up the money for its share from its treasury and East Crest is raising funds by an option on shares recently completed with Haras Corporation, Toronto.

Secure Drilling Rig

A drilling rig has been purchased and was expected to reach the property this week. Drilling depths are relatively shallow, the oil sand in the Atha No. 2 well showing a 50-ft. thickness starting at 1,651 ft. depth. This oil sand was never given a proper test for production as the operators continued on down to the Madison lime. The well is commented on favorably by Dr. J. O. G. Sanderson as follows:

"The main features in this well are the presence of a horizon corresponding to the Viking Sand and the presence in it of clean, dry gas apparently in commercial quantities; and a 26-ft. oil sand at the relatively shallow depth of 1.650 ft. The sand is medium-grained, clean, relatively shallow depth of 1,650 ft. an ideal reservoir stock. It is one of the best-looking oil sands yet found in Alberta and it is thick enough to contain abundant oil."

Prospectors' Meet Called

Ontario Association to Hold Annual Session Feb. 12, 13

Eleventh annual meeting of the Ontario Prospectors and Developers Association has been called for Feb. 12-13 in Toronto. President George A. MacMillan reports the executive committee is negotiating for more favorable tax concessions to encourage prospecting for strategic minerals.

Addresses are to be delivered by E. T. Dickinson, Jr., executive director of the War Production Board in Washington, Dr. George Hasson, Geological Survey of Canada, and G. C. Monture, Metals Controller's Department, Ottawa. It is also announced that instructional courses for the finding of strategic minerals are to be held in 11 cities across Canada.

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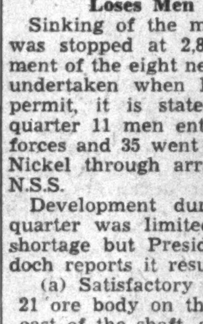

Consultations and correspondence invited

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THIRTIETH ANNUAL REPORT OF

The Waterloo Trust and Savings Company

ASSETS AND LIABILITIES

December 31st, 1942

ASSETS

CAPITAL ACCOUNT

Office Premises, Waterloo and Kitchener, including Safe Deposit Vault, etc., and fixtures, Galt and Preston		$ 195,686.19
Other Real Estate		187,796.62
Mortgages	$ 292,781.51	
Interest due and Accrued	8,395.45	301,176.96
Loans on Securities, including $36,895.06 against Company's own stock		123,563.94
Dominion and Provincial Gov't Bonds	396,220.17	
Canadian Municipal Bonds	10,799.37	
Other Bonds and Debentures	94,085.40	
Stocks	18,106.58	
		519,211.52
Other Assets		69,304.90
Advances to Estates under Administration		45,081.63
Cash on hand and in banks		75,575.77
		$ 1,517,397.53

GUARANTEED TRUST ACCOUNT

Mortgages (including agreements for sale $184,854.05 covering mortgaged properties sold)	6,320,400.20	
Interest due and accrued	101,404.81	
		6,421,805.01
Dominion and Provincial Gov't Bonds	2,364,516.22	
Dominion and Provincial Gov't Gtd. Bonds	210,469.09	
Canadian Municipal Bonds	877,752.42	
Other Bonds and Debentures	436,637.26	
		3,889,374.99
Stocks		210,295.03
Demand Loans against Securities		48,121.75
Cash on hand and in banks		773,843.63
		$11,343,440.41

ESTATES, TRUSTS AND AGENCY ACCOUNT

Mortgages	676,816.09
Bonds	2,593,948.02
Sundry Trust Investments	216,814.84
Inventory value of unrealized Estates Assets	4,865,623.15
Cash on hand and in banks	307,350.00
	8,660,552.10
	$21,521,390.04

LIABILITIES

CAPITAL ACCOUNT

Capital (Paid-up)	$1,000,000.00
General Reserve	200,000.00
Investment Reserve	200,000.00
Dividend Declared (Paid Jan 2/43)	25,000.00
Provision for Gov't Taxes and Contingencies	64,000.00
Profit and Loss	28,397.53
	$ 1,517,397.53

GUARANTEED TRUST ACCOUNT

General Guaranteed Investment Receipts	$ 4,150,091.10
Trust Deposits	7,193,349.31
	$11,343,440.41

ESTATES, TRUSTS AND AGENCY ACCOUNT

Trust Funds for Investment	$ 3,749,847.32
Advances from Capital Funds	45,081.63
Inventory value of unrealized Estate Assets	4,865,623.15
	8,660,552.10
	$21,521,390.04

FORD S. KUMPF, President P. V. WILSON, Managing Director.

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President: FORD S. KUMPF, Waterloo

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P. R. HILBORN, Preston
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OFFICES

Waterloo - Kitchener - Galt - Preston

Position of Chartered Banks of Canada as of December 31, 1942, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation $	Deposits by and Bal. Due to Dominion Government $	Deposits by and Bal. Due to Provincial Governments $	Advances from Bank of Canada $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits Elsewhere▲ $	Bal. due to other Banks in Canada $	Due to Banks in U.K. $	Due to Banks Elsewhere $	Bills Payable $	Letters of Credit outstanding $	Other Liabilities $	Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $	Total Liabilities $
Montreal	14,313,232	163,065,039	17,690,894	....	402,958,703	412,472,071	113,713,005	3,534,843	11,554,594	11,293,425	....	17,524,812	2,382,966	25,310	39,000,000	36,000,000	1,245,528,910
Nova Scotia	5,033,216	25,522,326	1,068,520	....	95,659,419	151,308,888	64,032,825	3,949,337	1,758,611	2,301,623	....	21,244,614	998,809	302,106	24,000,000	12,000,00	409,180,299
Toronto	1,959,604	22,125,836	1,318,794	....	70,683,290	93,864,153	322,841	78,319	1,526,497	601,122	....	1,601,300	....	5,537	12,000,000	6,000,000	212,087,298
Provinciale	1,628,018	2,793,492	386,698	....	17,161,752	46,941,217	8,734	3,591	....	34,965	....	51,964	4,054	5,230	1,000,000	4,000,000	73,989,719
Commerce	13,146,804	57,810,758	14,965,421	....	290,794,368	329,740,199	84,960,529	747,073	7,237,693	6,450,890	....	29,914,695	....	488,928	20,000,000	30,000,000	886,257,363
Royal	17,204,566	92,268,123	13,936,024	....	404,911,587	348,701,132	266,086,253	21,081	3,429,835	12,693,130	....	32,223,931	2,127,979	78,173	20,000,000	35,000,000	1,248,681,820
Dominion	2,274,166	15,049,431	1,771,247	....	78,809,394	81,301,811	10,456,942	5,294,358	943,238	375,779	....	6,425,857	706,679	141,604	7,000,000	7,000,000	217,550,511
Nationale	2,929,462	10,553,847	1,125,822	....	54,040,182	111,047,555	472,066	1,716,901	26,241	734,296	....	347,995	42,588	9,461	5,000,000	7,000,000	195,046,422
Imperial	2,757,135	24,137,201	15,883,144	....	78,629,209	92,112,176	1,524,797	2,029,819	994,031	928,780	....	3,537,756	....	145,483	8,000,000	7,000,000	237,679,535
Barclays (Canada)	614,655	3,194,729	96,840	....	5,663,195	5,730,081	3,298,257	89,703	3,069,198	1,520,240	....	573,751	22,358	....	750,000	1,500,000	26,125,012
Total	61,860,858	416,520,782	68,243,404	....	1,499,311,099	1,673,189,283	544,876,249	17,465,250	30,539,938	36,934,260	....	113,448,675	6,285,433	1,201,832	136,750,000	145,500,000	4,752,126,88

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorized $	Capital Subscribed $	Last Dividend %	†Loans to Directors and firms of which they are partners	Average Notes and Deposits with Bank of Can. $	Greatest Amount of Notes in Circ. $
Montreal	50,000,000	36,000'000	6	185,348	100,918,663	14,762,982
Nova Scotia	15,000,000	12,000,000	10	1,739,992	30,292,000	5,449,428
Toronto	10,000,000	6,000,000	10	580,890	19,723,005	2,236,549
Provinciale	5,000,000	4,000,000	5	135,557	7,819,219	1,788,618
Commerce	50,000,000	30,000,000	6	1,134,168	75,161,385	13,643,611
Royal	50,000,000	35,000,000	6	1,063,202	86,326,512	18,221,934
Dominion	10,000,000	7,000,000	8	657,407	23,078,791	2,613,904
Nationale	10,000,000	7,000,000	6	274,610	20,154,249	3,010,097
Imperial	10,000,000	7,000,000	8	456,645	14,890,928	2,957,087
Barclays (Canada)	1,500,000	1,500,000	....	5,880	1,504,223	714,745
Total	211,500,000	145,500,000	....	6,233,697	379,888,916	65,408,[illegible]

▲ Of this amount, $54,516,568 represents deposits in Canada in currencies other than Canadian. † And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin held in Canada $	Gold and Subsidiary Coin Held Elsewhere $	Notes of Bank of Canada $	Deposits with Bank of Canada $	Notes of Other Banks $	Govt. and Bank Notes other than Canadian $	Cheques on other banks $	Balances due by other banks in Canada $	Due by banks in U.K. $	Due by banks elsewhere $	Govt. sec. short term $	Govt. sec. long term $	Canadian municipal securities $	Public sec. other than Canadian $
Montreal*	1,178,546	38,659	30,496,000	84,821,743	444,745	679,404	54,030,454	....	33,078,306	36,730,229	401,214,554	179,977,160	14,286,471	49,720,080
Nova Scotia	413,990	751,265	10,399,029	22,160,494	90,071	10,668,785	15,775,203	....	10,099,521	18,744,360	76,035,762	61,216,094	9,095,690	3,691,794
Toronto	333,281	....	5,346,780	10,806,351	47,690	89,117	11,777,720	....	641,340	2,139,578	66,022,512	40,626,827	1,810,480	....
Provinciale	273,843	....	2,837,219	3,856,667	58,590	37,082	3,156,213	301	21,359	857,753	17,324,420	12,949,447	9,770,082	....
Commerce†	959,938	168,378	21,674,622	44,721,666	154,823	3,012,397	34,117,308	38	5,789,707	33,448,218	210,601,869	146,907,706	4,174,752	32,364,961
Royal	1,488,029	1,671,806	31,086,219	55,466,056	490,809	33,828,640	57,735,133	3,783	18,849,329	40,713,440	313,780,466	195,219,795	9,133,737	53,433,467
Dominion	249,878	251	3,439,484	17,591,025	78,710	103,346	9,859,057	....	2,051,829	9,263,318	59,046,322	26,545,469	1,092,670	996,729
Nationale	564,307	....	8,528,340	10,383,250	81,750	88,306	7,859,830	1,188,035	101,293	1,942,837	57,423,578	26,325,271	14,353,137	17,388
Imperial	313,408	....	7,148,039	8,274,476	104,545	99,125	15,537,793	716,433	375,152	4,231,951	55,190,718	43,000,576	5,245,853	....
Barclays (Can.)	7,707	....	162,106	1,656,157	1,110	2,438	279,330	785,882	1,355,574	4,583,507	4,990,641	6,730,453	1,000	48,000
Total	5,782,927	2,630,359	121,117,838	259,737,885	1,552,843	48,608,640	210,188,041	2,692,472	72,363,412	152,717,191	1,261,630,845	739,498,798	68,963,872	140,272,419

NAME OF BANK	Other bonds and stocks $	Call and short loans in Canada $	Call and short loans elsewhere $	Current loans in Canada $	Current loans elsewhere $	Loans to provincial governments $	Loans to municipalities $	Non-Current loans $	Real estate other than Bank premises $	Mortgages on real estate $	Bank Premises $	Deposit for note circulation $	Other assets $	Total assets▲ $
Montreal*	20,544,308	4,362,068	30,729,246	230,708,948	15,030,172	1,521,312	22,316,821	353,188	264,722	418,547	13,900,000	905,058	1,687,190	1,247,022,758
Nova Scotia	10,482,058	3,198,600	1,340,236	110,120,660	14,738,599	231,956	1,352,930	333,301	....	80,130	5,607,060	343,414	2,251,427	410,467,055
Toronto	3,698,915	1,099,199	....	61,111,786	....	....	2,672,398	11,975	....	13,455	2,969,722	175,559	65,939	212,961,931
Provinciale	1,479,698	2,973,306	....	13,720,010	....	9,226	1,943,555	31,482	381,798	243,650	2,037,526	106,971	124,422	74,246,594
Commerce†	9,051,821	6,290,210	14,329,709	240,821,905	19,304,724	997,281	8,991,903	961,237	2,046,837	858,327	13,673,673	800,000	4,737,286	890,876,005
Royal	32,609,995	7,931,558	24,158,465	239,731,218	63,696,881	1,986,834	14,954,966	1,191,387	1,289,065	798,032	13,623,929	1,110,000	3,735,084	1,251,941,018
Dominion	1,474,778	1,001,388	3,049,544	69,134,118	446,736	643,802	213,398	130,410	25,593	22,497	5,203,078	182,810	200,962	218,475,072
Nationale	3,594,100	3,133,253	....	45,681,429	....	406,450	6,134,366	151,400	1,382,643	711,457	4,628,154	178,537	212,875	195,427,995
Imperial	33,885	1,054,791	....	84,734,822	....	321,951	3,032,435	141,000	21,333	159,207	5,420,067	193,324	52,698	239,993,351
Barclays (Can.)	....	177,100	....	4,033,079	....	....	....	1,492	....	....	721,724	31,690	8,983	26,158,734
Total	82,866,558	31,221,473	73,607,200	1,099,807,975	113,217,112	6,118,812	61,612,772	3,306,872	5,410,991	3,305,302	67,784,933	4,027,363	13,079,816	4,766,570,5[illegible]

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of locally incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement:—Footnote to Canadian Bank of Commerce return.

▲Total assets include $113,448,675 letters of credit outstanding as shown in liabilities.

Smelters' Mercury to Aid U. S.

Postwar Prospects Bright for Main Products – Zinc and Lead

By GORDON M. GRANT

Increased production of mercury is projected from the Pinchi Lake property of Consolidated Smelters to meet U. S. war requirements, but this may not be particularly significant from the standpoint of larger profits. More important to earnings may be the step-up in zinc and lead output which the company plans at Trail when new power units are put into operation in about a year.

One corner of the veil hiding the wartime activities of Consolidated Mining & Smelting Co. was lifted last week when an agreement with the Canadian Government under the Income War Tax Act and the Excess Profits Tax Act was tabled in the House of Commons.

The agreement—providing $600,000 of tax credits for capital expenditures of a similar amount — calls for production of an extra 10,000 flasks of mercury, 76 lbs. to the flask, for shipment to the United States. Object: To provide Canada with an extra $1,860,000 of U. S. dollars and the United States with a mercury reserve.

Dated last Sept. 17, the agreement calls for delivery of the 10,000 flasks in 1942 and 1943, allows the company to deduct $45 from its tax bill for every flask exported provided the total amount does not exceed $300,000 in 1942 and $600,000 altogether.

Consolidated Smelters' Pinchi Lake property, largest producer of mercury in the Empire, fills all Canada's requirements, has lots left over for other markets.

A Big Help to U. S.

U. S. domestic production normally takes care of most U. S. needs, but the recent order prohibiting use of mercury in anti-fouling paints has given evidence that even a 100% increase in U. S. output hasn't kept pace with mounting war requirements.

In 1940 the United States imported only 171 flasks, actually exported more than was imported.

Publication of U. S. import and export figures was suspended at the end of Sept., 1941, but 1,000 flasks more were exported in the first nine months than were imported. On the basis of 5,000 extra flasks of mercury from Canada a year, the amount available to U. S. industry will be boosted by more than 10%, based on 1941 figures.

Not Great Profit Factor

From the standpoint of Consolidated Smelters, the mercury deal is likely to mean little in the way of extra profit. Conceivably, the extra $600,000 tax credit might be used to boost earnings by a corresponding amount, or 18.3 cents a share.

But what seems more likely is that the extra plant erected will be written off over the life of the contract, since there is no certainty it will be required later on.

If the demand for mercury continued strong past 1943, and there were substantial profits, the excess profits tax would take all except the third allowed as depletion and the 20% E.P.T. refund.

Price Allowed to Rise

Mercury is one of the few metals for which a steep price rise has been allowed in the United States and Canada to stimulate production. Under the Consolidated-Smelters-Dominion Government-Metals Reserve Co. agreement, a price of $186 U. S. a flask will be paid by the Metals Reserve Co. This compares with a current U. S. price of $196-$198 a flask, but is above that prior to the war, $86.15 a flask in Aug., 1939. A low of $46.40 a flask was set in Sept., 1932. Back in 1930 the price was $123.99 a flask. Thus too much dependence cannot be placed on a continued high price for mercury.

More Power to Help

What may be more important to Smelters from an earnings standpoint than mercury is completion of new power units. The company, in 1942, agreed to put in four extra power units at the request of the Dominion Government, and the first two should be ready for operation in little more than a year's time now. Construction has been under way for over a year under a government agreement with Smelters' subsidiary, West Kootenay Power & Light Co., which allows special tax assistance on $9,250,000 to be expended.

Lack of power prevented the company from placing a magnesium plant in operation last year. Magnesium may be embraced in future plans as Smelters has developed a magnesium chloride recovery process.

E. P. T. Hits Profits

During 1941, earnings were equal to $3.72 a share. Application of the E.P.T. on the new basis would mean a decline in earnings (on the 1941 profit) to $3.26 a share but an extra 14 cents might be added for refundable tax after the war. Accumulated inventories were largely liquidated in 1941 and even though operations continued at capacity in 1942, earnings may have shown a decline.

Of course, the balance of operating profit after taxes might be greater due to write-offs such as allowed by the mercury deal. This could mean higher working capital.

Depletion allowance of 33 1/3% on operating profits before calculating either E.P.T. or corporation tax has become a valuable allowance to companies such as Consolidated Smelters which are using up ore resources rapidly to provide needed output of metals.

Outside of the 20% refund put in the E.P.T. to maintain incentive, depletion allowance is the only way the company receives remuneration for extra production from ore resources. President S. G. Blaylock stated recently that E.P.T. represents a penalty to concerns working wasting assets, which have increased output at the request of the government.

Might Pay To Slow Up

In view of the relatively small profit realized it conceivably might pay to slow up on mining some wasting assets such as gold in Yellowknife, leaving the ore for milling after the war when E.P.T. is lifted. The Box property was closed down for duration because it is a marginal producer and the manpower and materials could be used to better advantage elsewhere; the men were offered jobs at other Smelters operations.

Stress Strategic Minerals

At last report, Smelters' mill capacity at Pinchi Lake was 450 tons daily compared with an initial production rate of only 50 tons daily in 1940. Capacity has been increased at the Red Rose tungsten property near Hazelton. Drilling has given distinct evidence of a molybdenite deposit on the Boss Mountain molybdenite prospect, 45 miles northeast of Lac la Hache. The number of strategic minerals produced at Trail has been increased and tin production is being carried on commercially.

May Benefit Later

From the postwar angle, the position of Consolidated Smelting Co. has been improved considerably the last two years. Profits have not been large due to base prices of not much more than three cents a pound being received for lead and zinc under U. K. contracts. But prices may be better after the war.

In the United States, prices of 6.5 cents and 8.25 cents a pound are being paid for lead and zinc, respectively, but even higher prices are being paid for extra output. Under the spur of these prices, huge quantities of the two metals are being turned out, but ore resources are rapidly being exhausted. The trend recently has been toward higher bonus prices for zinc as the average grade of ore available continues to fall. This is stated to apply to the great U. S. Tri-State field where the ore reserve is causing concern.

Scrap a Factor

In view of the way zinc and lead ore reserves are being exhausted in the United States, even more rapidly than in Canada, Consolidated Smelters may benefit from a "higher price" era for its two main products after the war when the excess profits tax has been lifted.

Lead and zinc are cheaper metals and aren't likely to be affected by the light metals, aluminum and magnesium, whose cost is steadily being reduced. Possibly aluminum might replace lead as a covering for cables but that is only about 12% of the use of this metal in ordinary times.

Zinc in wartime is used in tremendous quantities for manufacture of shell brass. Possibly brass may be displaced by the light metals to a certain extent after the war but it is likely zinc will still be required in large quantities for galvanizing, rolled zinc, die castings, etc. A large backlog of consumer demand for this metal is being built up because there is practically none available now for for civilian uses.

After the war the prospect is thus fairly bright for Consolidated Smelters. Gold mining activities will likely be expanded; Ptarmigan and the Ruth properties will probably be placed in production in Yellowknife, and peace may mean better base metal profits. Whatever the situation actually turns out to be, the company seems destined to be in a strong working capital position for the transition from war to peace.

Perron To Be Hit If More Men Lost

General Manager J. P. Norrie Gives Report for Fourth Quarter

From Our Own Correspondent

PERRON, QUE. — With a further reduction in the number of employees to 236 in the fourth quarter of 1942, the operating staff of Perron Gold Mines has now been cut to a point where further reduction will seriously interfere with the operation, General Manager J. P. Norrie states in a report for the final quarter of 1942.

During this period 37% of the tonnage milled and 45% of the gold came from the 32 vein, with the balance from stopes above the 1,025-ft. level.

The ball mills operated 99.24% of possible running time. Extraction was 98%.

Most Ore From Upper Levels

During the quarter, 1,401 ft. of drifting, 577 ft. of crosscutting and 1,147 ft. of raising was done, of which 55% was on or below the 1,025-ft. level. A total of 4,700 cars of ore grading 0.16 oz. per ton came from development headings. Most of the new ore found and developed was on the upper levels of the mine, Mr. Norrie states.

Ore reserves continue to be maintained at approximately 300,000 tons. The following are the most important developments:

	Length ft.	Width ft.	Grade oz.
3,711 Drift east	57	5.0	0.35
420 Drift east	50	5.0	0.25
406 Raise	40	5.0	0.16
558 Drift east & west	51	5.0	0.30
832 Drift west	50	6.0	0.21
1,113 Drift east & west	385	4.0	0.20
1,333 Raise	110	4.5	0.36
1,734 Drift east	155	3.5	0.09
1,510 Drift east & west	85	3.5	0.15

A total of 19,671 ft. of diamond drilling was done, 1,017 ft. on surface, 9,031 ft. above the 1,025-ft. level and 9,623 ft. below. Many promising ore sections were secured above the 1,025-ft. horizon.

Preston East Dome Mines realized an operating profit of $231,235 the three months ended Dec. 31, 1942, before provision for depreciation, taxes and other write-offs. Bullion production for the period was $614,437 from 74,410 tons of ore milled, an average recovery of $8.26 a ton. The mill averaged 809 tons daily, operating at about 20% below rated capacity.

Sladen Reports Ore At Depth

Working Capital Up to Over Half Million Dollars at End of 1942

A further increase in working capital and "satisfactory results" on two new lower levels is reported for Sladen Malartic Mines in a progress report of Futterer and Reid for the fourth quarter of 1942.

At the end of 1942, working capital totalled $547,229 before reserve of taxes compared with only $431,278 six months earlier. Operating profits amounted to $74,456 for the last quarter of 1942, a decrease of approximately $15,000 from the previous quarter.

Find Ore at Depth

Messrs. Futterer and Reid, reviewed the Sladen Malartic situation as follows:

"The development of the new lower levels in the No. 2 shaft was commenced on the 1,100 and 1,200-ft. levels. On the former, 142 ft. of crosscutting and 300 ft. of drifting has been completed; on the latter 170 ft. of crosscutting and 100 ft. of drifting. While no close horizontal diamond-drilling has been done, the results obtained from this drifting would appear to substantiate those obtained from the diamond drill holes put down from the 950-ft. level."

Production the last quarter of 1942 was $265,854 from 63,339 tons ore milled. This compared with $273,868 from 63,272 tons the third quarter of 1942.

CHARTERED ACCOUNTANTS

The Accountant as Liaison Officer

For the chartered accountant the role of interpreter in commerce and finance has dual significance. In the relationship between business and government it is the accountant whose knowledge of current legislation and regulations eliminates time—and money-wasting errors and delays. Again in the relationship between business and the public it is the accountant who correlates simply and factually the complexities of financing and administration in such a way that, where warranted, public confidence may be sustained.

This double function of the chartered accountant is rapidly becoming almost as important as the purely technical services he can provide. For if any lesson is to be drawn from the events of the last two decades it is that the days of laissez-faire are irretrievably gone. Both government and the public are prepared to demand of business the most exact accounting of its operations and responsibilities. And such are the intricacies and problems of modern finance that serious misconceptions might arise were not the demands of government on a business fully understood and were there not some effective means of assuring the public that a business is efficiently and economically conducted. In both instances the chartered accountant is especially equipped to act, in effect, as a liaison officer.

Industrial and financial corporations will be called upon more and more to demonstrate the sound and honourable discharge of their stewardship. They can find a no more able or conscientious interpreter than the chartered accountant.

One of a series of brief discussions of the work of the professional accountant.

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The Draft Machinery Brought in Perspective

A Small and Decreasing Proportion of Those Called Actually Enter Army as Draftees, But Overall Picture More Favorable

How Canada's draft machinery has "broken down" is graphically illustrated by the chart at the lower left. Showing that between March 20, 1941, and Dec. 26, 1942, only 14.3% of those to whom medical examination notices were sent actually became "draftees," the record indicates that as a soldier-maker the draft machine in itself has failed.

By contrast with results before March 20, 1941, the failure becomes more pronounced. Between Oct. 9, 1940, and March 19, 1941, 47.5% of those instructed to take medical examinations were finally drafted.

Still greater emphasis appears when the most recent results are tabulated. From May 15 to Dec. 26, 1942, the proportion drafted fell to 8.97%.

First reaction to this record of failure has generally been critical to Canada's whole manpower policy, occasionally to the National Selective Service officials in charge.

But aside entirely from the question of whether the manpower policy is adequate, the facts show that it works considerably better than the cold statistics indicate. In the first place only the most recent figures attempt to segregate those who are not drafted because they are already in the army from those who are delinquent. In the May-December period of 1942, 16 men enlisted voluntarily for every nine men who became draftees.

Overall Picture

Overall picture of Canada's manpower reserves indicates that the maximum that the Dominion could place in the armed forces would be in the neighborhood of one million men. By lowering the medical standards, this total might be exceeded but not by any wide margin.

Up to Oct. 31 last, 683,335 Canadians had volunteered for active service anywhere in the world. Another approximate 70,000 are in full-time service for home defense, and a further approximate 200,000 are in the part-time reserve army.

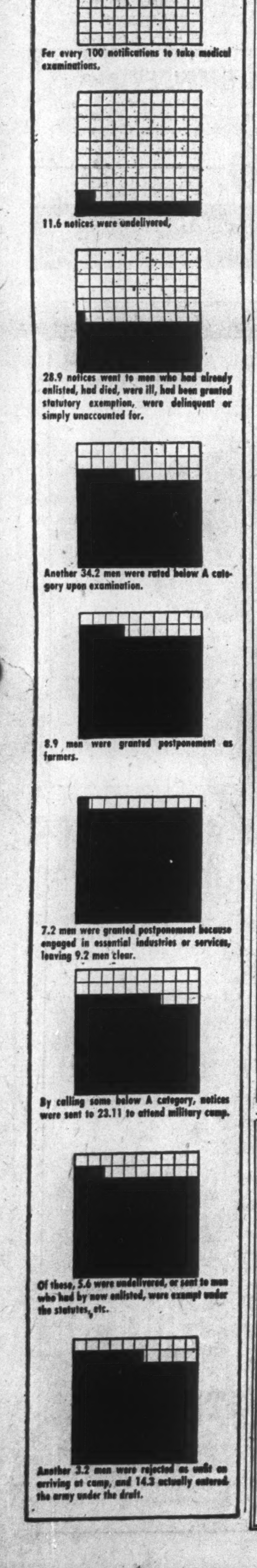
Balancing these up against a potential of one million fighting men, it appears that

1. Canada is 68% fully mobilized for service anywhere.
2. Canada is 75% mobilized for full-time service.
3. Canada is 95% mobilized for training and service on either a full- or part-time basis.

Ineffective in itself the draft machinery has been an instrument in adding to the flow of volunteers, in bringing Canada's mobilization to within a narrow margin of the maximum possible.

In the period between March 20, 1941, and Dec. 26, 1942, 107,678 entered the Canadian army through the draft. To get these men, notices to take medical examinations were sent out to 750,611, nearly 86% of whom did not appear in the final figure.

How the original call was gradually whittled down is shown in the following table:



Can. Foreign Investment Elects New Officers

W. Allan Black Jr., has been elected president of Canadian Foreign Investment Corp. Ltd., succeeding the late H. H. Vaughan. J. G. Ross has been named vice-president, while Frank B. Common, K.C., has been added to the board of directors.

Subject to the approval of the Foreign Exchange Control Board, Canadian Foreign Investment will call for redemption 1,809 preferred shares on April 1, the shares to be drawn by lot from the records as of March 1.

Such further redemption, if approved, would leave a total of 2,000 shares outstanding, or only one tenth of the original issue of preferred stock. The shares are callable at 105 and accrued dividends.

A New View of "Ruml" Plan

Income Tax Authority Offers an Alternative

By MOLYNEUX L. GORDON

It would be most interesting to meet the man who drafted the first income tax act and find out what object he had in mind in arranging that the personal income tax should be levied annually when everybody knows most people are paid by the week or the month.

Why Let The Bills Run?

Claims of the government for taxes have priority over other creditors, but the government is a creditor just the same; and if your grocer allowed your account to run for six months and then charged you on the amount of groceries you had received during the preceding year, and, to add to the confusion, raised prices in the middle of the year, it is probable his chance of getting the money would be considerably less than if he demanded payment of his account as the goods were delivered.

As Mr. Ruml points out, the Canadian system may cause great hardship because the taxpayer is always indebted to the government. Take the case of a married man whose taxable income amounts to $3,000 per annum. His tax for the year 1942 will be $884.40 and on Jan. 16, 1943, he will owe the government $442.20.

(1) This man joins the army and receives a dollar and a half a day, but he is compelled to assign $20 a month to his wife, so that his net income will be approximately $25 a month it will take him approximately 18 months to pay his debt.

(2) He loses his job, has two or three hundred dollars in the bank on which he tries to live until he gets another one. On April 15 he will owe the government $221.10.

(3) He retires on a pension of, say, $1,000 a year, and for the first six months will pay practically the whole of this in tax.

(4) He dies and the government demands the tax in priority to his creditors.

Mr. Ruml suggests that the government waive all unpaid taxes for 1942 which are not in arrear and start fresh on Jan. 1, 1943; at that date the taxpayer files a statement showing his income for 1942 and pays 1/12th of his tax per month at the current rate. In December, if his income for 1943 is less than his income for 1942 he gets a credit which applies on 1944; if his income for 1943 is more than his income for 1942 he adds the difference to his January payment.

An Alternative to the "Ruml" Plan

While agreeing with the basic objectives of the "Ruml" pay-as-you-earn method of tax collection, Mr. Gordon sees certain objections to it and suggests that the same objectives might be attained by the following adjustments to our present income tax structure.

1. That an amendment be made in the Income War Tax Act providing the changes in rates should come into force on Sept. 1 each year and be limited to the balance of the year.

2. That the Government postpone the payment of the balance of the unmatured taxes for the year 1943 which are based on income for the year 1942.

3. That the refundable portion of the tax be fixed at 10% for all taxpayers and be credited against the amount owing.

4. That the Commissioner of Income Tax be authorized in all cases of hardship in his discretion to waive payment of any unmatured taxes for the year 1942.

5. That commencing with the passing of the Act, each taxpayer be compelled to file an estimate of his income for the year 1943, based upon the income received for the year 1942 and pay his tax in 12 monthly installments on the last day of each month; that on Dec. 31, 1943, he file a statement showing the actual income received during 1943, and this statement form a base for his taxation in 1944. If the amount is less than previously estimated, he receives a refund; if the amount is more, he encloses with the statement a cheque for the balance. In cases where a taxpayer knows that his income for 1943 will be less than the income for 1942, he attaches to his statement an affidavit showing the reasons for the reduction and pays on the reduced figures.

In cases where a taxpayer knows that his income for 1943 will be less than his income for 1942, which would occur if he received a cut in wages, he files with his statement an affidavit showing the reasons for the reduction and pays on the reduced figures.

The idea is simple, easy to understand and will avoid a great deal of hardship.

It is very desirable from every point of view that the pay-as-you-go policy should be introduced as soon as possible, but any policy of this kind would prove unworkable as long as amendments to the income tax act are passed late in the year and the rates are raised and dated back to the beginning of the year.

Up-and-Down Taxing

Take the case of a married man with no children and a taxable income of $3,000 per annum. In 1941 this man paid a tax of $355 and if at the commencement of 1942 he budgeted for his tax and set aside a monthly sum to provide for the tax on Sept. 1, 1942, he would have accumulated $236.67.

On that date the new rates came into force which have increased his tax for that year to $884.40 and, consequently, under the pay-as-you-go plan he would have to provide during the next four months $647.73, or an average of $161.93 per month, leaving him $88.07 a month to provide for himself and his wife during the most expensive season of the year, when he may have to lay in coal and purchase winter clothing. It is almost impossible for anyone to budget for taxes if the rate is changed during the middle of the year, if during the last four months he has to pay more than five times as much as during the first eight months.

No one can be expected to budget for the tax when he does not know what he has to pay and there is no reason why changes in the rates should not be limited to that portion of the year subsequent to the passing of the Act; or, if this is considered inconvenient, the Act should be amended so that the new rates should start on Sept. 1 of each year, which would give Parliament ample time to fix the rates prior thereto.

In 1940 the Act was amended and the rates raised on Aug. 7, in 1941 on June 14, and in 1942 on Aug. 1.

How Fair is The Ruml Plan?

The first point to be considered is the fairness of the Ruml Plan.

Under the present Act a married man with no dependents earning $3,000 per annum would pay a tax of $884.40 and the government will waive $442.20; but a wedded man who receives an investment income of $101,500 will pay a tax of $81,744 and the government will waive $40,872.

It may be hard to explain to the man with the low salary why the man with the high income should receive so much more, and the man with the low salary might not be entirely satisfied with the explanation that the high income receives more because he is asked to pay more. In addition, the man who receives his income from investments is only obliged to pay half his tax in 1942 while deductions from salary are made at a different rate.

Mr. Ruml states that the waiving of the 1942 tax will cause no loss to the U.S. government except in cases where the taxpayer has made an abnormal profit in the year 1942. Mr. Ruml suggests that such cases receive special treatment, but he does not indicate how this should be done. This question is not so important in Canada as it is in the United States because in the United States a man is taxed both on income receipts and capital profits, while in Canada he is only taxed on income, and capital profits occur more frequently and are usually more substantial than abnormal increases in income.

Who Pays the Income Tax?

There are many differences between the legislation in force in the United States and in Canada; and it seems quite clear that in Canada the government would make a loss both in the actual amount collected and in their current income, because the principal portion of personal taxes is paid by taxpayers with large incomes and only a very small per cent by persons with less than $4,000 per annum (in the years 1940 and 1941 81% of the taxpayers who received less than $4,000 per annum were assessed for 9.6% of the tax).

For the years 1941 and 1942 the percentage will probably be considerably increased because many more persons with small incomes now pay tax who were formerly exempt. Although a person with a large income may suffer a hardship if he joins the army and his earnings are reduced to a nominal sum, yet such persons usually have some capital savings out of which to pay the tax and there is little doubt that the government is reasonably sure of collecting most of the tax due in 1943 from persons with large incomes, while under the Ruml plan in all cases where taxpayers die or for some other reason fail to receive as much income in 1943 as they did in 1942, the government will make a loss.

What Would It Cost?

In order to give proper consideration to the Ruml plan it is next necessary to calculate the exact amount of money involved, and it is almost impossible to make an intelligent guess as to the approximate sum because most of the returns filed are based upon the taxpayers' 1941 income or an estimate of 1942 income and are only tentative. In addition to this, some taxpayers are in default and others have overpaid the first two installments. The amount may be between $350 and $450 millions, and it is probable that if the government waives this sum they will have to make up the amount by raising the rates which are already at approximately the same level as the English rates, which are the highest in the world.

If, instead of raising rates, the government credited the amount due against the refundable portion of the tax, they would achieve the same result with practically no loss. The only objection to this is that some people might think that the government, having promised to make this refund, would break faith if they did not do so; but if such promise exists it only covers the amount agreed to be refunded up to the present date and there is nothing to prevent the government limiting the change to the amount collected in the future.

If, however, that should be done it ought to be pointed out that some people are entitled to the refund of half their tax less certain exemptions; others 8 and 10% of the tax respectively; but in all cases the refund in any one year is limited to $800 in the case of an unmarried man and $1,000 in the case of a married man plus an additional amount if he has children.

This is rather hard on the man who pays a large tax because not only does he pay at a much higher rate but his refund is considerably less in proportion to the amount payable. It would seem more equitable to place everyone on the same basis by giving them a 10% refund of the tax. If this were done, the tax which Mr. Ruml proposes to waive would not be lost but would be recovered in four or five years by annual installments. In a small percentage of cases (mostly confined to taxpayers in the lower brackets) the liquidation of the debt would take longer because the refund may be reduced by deductions from the current tax on account of insurance, medical expenses, etc.

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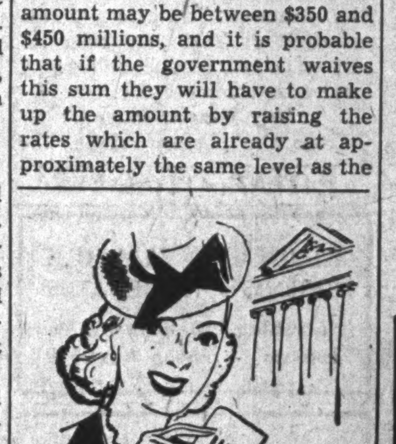
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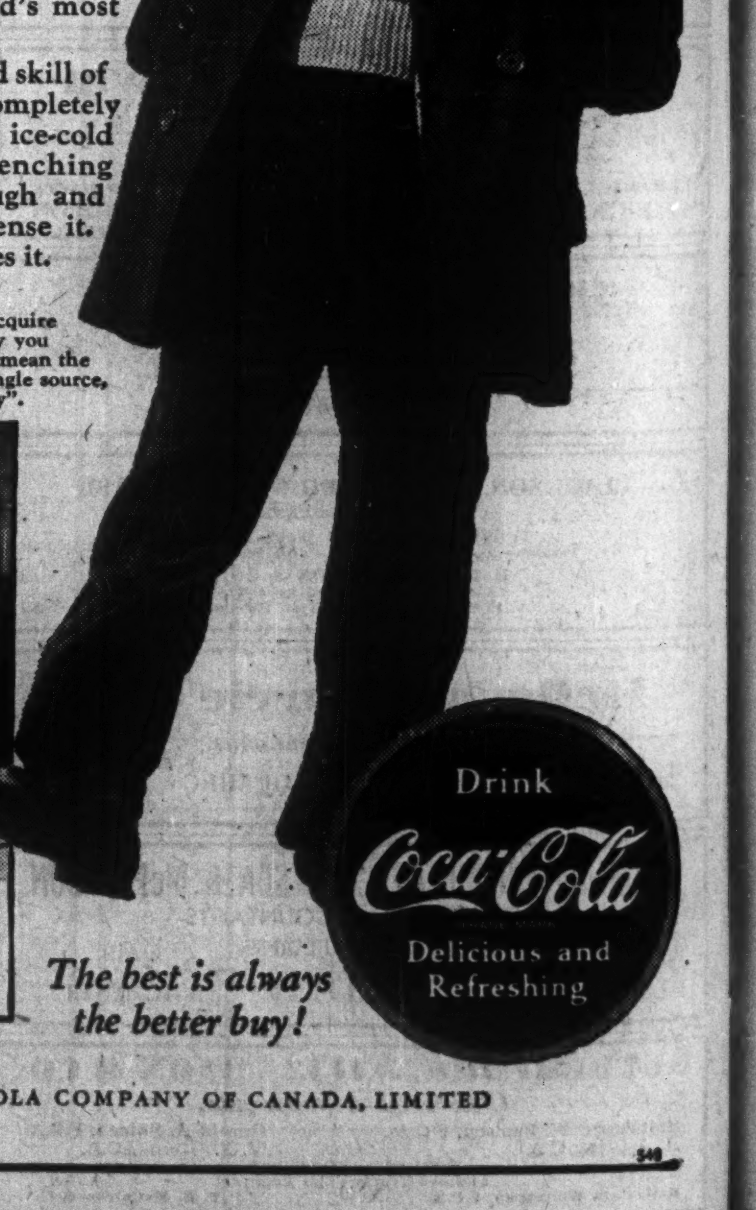
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